

IN THE SENATE OF THE UNITED STATES.

JUNE 6, 1860.—Ordered to be printed, and that the views of the minority be printed with the report.

Mr. WIGFALL made the following

REPORT.

[To accompany bill H. R. 513.]

*The Committee on Post Offices and Post Roads, to whom was referred House bill No. 513, for the relief of John M. Hockaday and William Liggit, have had the same under consideration, and beg leave to present their report, as follows:*

Said Hockaday and his sureties entered into a contract, dated the 1st day of April, 1858, for transporting the mail on route No. 8911 from St. Joseph, Missouri, by Fort Kearny, Nebraska Territory, and Fort Laramie, to Salt Lake City, Utah Territory, and back, once a week, in twenty-two days each way, at \$190,000 per annum, the services to be performed in carriages or covered wagons, to be drawn by four mules or horses, commencing on the 1st day of May, 1858, and ending with the 30th day of November, 1860. Shortly afterwards, said Liggit became a full and equal partner with Hockaday in said contract. By the day fixed in the contract for the commencement of the service, they had fully prepared themselves to perform the contract faithfully and promptly. In order to do this, they were compelled, necessarily and unavoidably, to incur very large expenditures. The route was nearly 1,200 miles in length, running through an unsettled, uncultivated, and waste country. Stations had to be established and erected at convenient distances along the whole line, and fixtures, provender, and provisions used on the entire line had to be transported over land from the Missouri river. Stock and teams and coaches had to be purchased and put upon the road, and all the hands and employés to be procured and posted at their several places of duty. In short, the testimony fully shows that the necessary outlay, preparatory to the beginning of their service, amounted to the large sum of, say, \$394,000. Said Hockaday and Liggit performed the contract on their part faithfully and to the entire satisfaction of the department until, by the action of the Postmaster General, they were driven to sell out at a loss and sacrifice. On the 7th of March, 1859, the acting chief clerk of the department, in a letter addressed to Hockaday, wrote as follows:

POST OFFICE DEPARTMENT,  
*Inspection Office, Washington, D. C., March 7, 1859.*

SIR: The department can safely assure you that you have performed the mail service upon route No. 8911, St. Joseph to Great Salt Lake City, in a manner highly creditable to yourself as contractor, and affording much satisfaction to the department; that you commenced the service upon said route on the 1st day of May, 1858; that there have been no fines imposed for irregular or improper service; and that the mails have been conveyed with great regularity through the most trying season of the year. All of which is evidence to the department that the route is well stocked and in good condition.

Respectfully, your obedient servant,

T. P. TUTT,  
*Acting Chief Clerk.*

JOHN M. HOCKADAY, *Present.*

The failure of the Post Office appropriation bill at the last session of the Thirty-fifth Congress compelled the Postmaster General, as he himself has said in his letter to this committee dated the 5th of the present month, "to review the existing mail service of the country with a view to its curtailment, so as to bring the expenses as near to the revenues derived from postages as the public convenience would admit of." In the course of such review, among others, he selected this route, No. 8911, for cutting down the service. As soon as Mr. Hockaday was made aware that the Postmaster General had thought of reducing the service on this route from weekly to semi-monthly he immediately remonstrated against it, showing the hardship and injustice of the procedure, and the unavoidable ruin it would inevitably bring upon himself and partner. His letter to the Postmaster General is as follows:

WASHINGTON, D. C., *March 28, 1859.*

SIR: On the 26th instant, I called on the Second Assistant Postmaster General, Hon. W. H. Dundas, and was requested by him to submit to the Post Office Department a proposition to convey the mails on route No. 8911, between St. Joseph, Missouri, and Great Salt Lake City, Utah Territory, twice a month, instead of once a week, according to the terms of my present contract.

This request on the part of Mr. Dundas evidently emanated from the belief that a diminution of trips could be attended by a corresponding diminution of compensation, without doing injustice to the contractor. In the case under consideration, Mr. Dundas's position is incorrect.

The mail, *each week*, at present, makes up a full load or cargo for one six-mule coach, the mail matter varying from 700 to 1,300 pounds per trip. If the mails are allowed to accumulate for two weeks, it is evident it will require for their transportation twice the number of men, mules, carriages, and fixtures *per trip* as is required when the trips are made regularly once a week, and that each station on the route must be so provided with double relays of men, mules, and ap-

pointments. Consequently, no reduction takes place in the current expenses of the contractor.

This rule holds so long as the accumulation of mail matter between trips amounts to a full cargo or load for the grade of service employed; and Mr. Dundas's view of the case is only applicable when, in consequence of the frequency of the trips, the mail matter forms but a fractional part of a cargo. In which event, a diminution of trips, based on the accumulation of a full cargo of mail matter, might be made without injustice to the contractor, as he could reduce the quantity of his stock, the number of his employés, &c., and consequently his current expenses.

This view of the case is not suggested to meet any present issue, but was laid before the department when I bid on the route, in July or August of 1857, accompanied with a full estimate of what I deemed necessary to insure sufficient service, after an acquaintance of seven years with the country over which said route runs. My bid and exhibit are now on file in the department.

I would further suggest that a mail line of 1,147 miles in length, running through an entirely unsettled country, is difficult to establish, and requires time to develop; that, in its establishment, heavy outlays are necessarily incurred, since all the provender, provisions, and fixtures used on the entire route have to be transported overland from the Missouri river to the various points where required; and, when once distributed along the line, are comparatively worthless, unless applied to the purposes for which originally designed, as the concentration of, and transportation to, any available market, would be attended with more expense than the proceeds arising from the sale of such commodities, while the permanent fixtures, such as station-houses, stables, workshops, ferries, and the improvements of *experimental farms*, would be an entire loss if once abandoned.

In direct application of this fact, our books show an expenditure on the route of \$394,000, and the only property on hand that would bear transportation to any available market consists of \$117,000 worth of live stock, which would reach market greatly depreciated in value.

These considerations have, in some instances, induced Congress, in establishing these long routes through unsettled countries, to give contracts for longer periods than four years, in order to indemnify the contractor for the heavy outlay incurred in first establishing the route; and it has been the usual custom of the department to allow the contractor several months to stock and provide his route before he was ruled to schedule time; while, in my case, the contract was for an unexpired term of two years and seven months only, and the service required to be put in operation within thirty days from the signing of the contract.

When the present contract was entered into, in May last, the department called for efficient service. The manner in which I have responded to that call is a matter of record in your department.

If the necessities which prompted that call have subsided, (which, however, is problematical,) it was certainly never contemplated by either the contractor or the department that the former was to be sacrificed by leaving him immersed in debt contracted in carrying out

the service agreed upon, and from which he reasonably expected to relieve himself by aid of the compensation allowed by the department, according to the terms of the contract as then understood by both contracting parties.

The failure of Congress in providing funds for the support of the postal service, is of itself well calculated to shake the credit of contractors; and if, in addition to this, the department cuts down their service, (the only support on which they can reasonably rely to obtain an extension of credit until such time as provision is made by Congress to meet the requirements of the department, and eventually to enable the contractor to discharge his liabilities, incurred in good faith,) under these accumulated embarrassments, the party to a heavy contract, who sustains his credit unimpaired, will have good cause for self-congratulation. While I am willing to carry on my service until Congress provides for the payment of contractors, I am constrained to admit my inability to accomplish the same if any material change is made in the character of the service, or any material diminution of the compensation on which I have relied to meet the expenditures already incurred in establishing my route.

Any change that would diminish my ability to sustain myself, is peculiarly unfortunate at this time, as the entire class of adventurous young men from which my employés are drawn is now highly excited with the prospect of realizing fabulous wealth from the gold regions which are contiguous to my mail route. The principal commodities required on my route are bringing exorbitant prices on the frontier, in consequence of the heavy emigration to the gold mines; and nothing but exorbitant wages and high prices will enable me to supply the route with labor, and such necessities as are indispensable to good service.

I have, sir, endeavored to treat this subject with as much brevity as its important consequences to my securities and myself will admit of. While the embarrassments of your department are but temporary, your decision in this case may involve us in embarrassments and perplexities from which it will require years of labor to extricate ourselves.

Very respectfully, your obedient servant,

J. M. HOCKADAY.

Hon. J. HOLT,

*Postmaster General.*

But the contractor was informed on the 7th of April, 1859, that it had been decided that the service should be reduced from weekly to semi-monthly after the 1st day of July, 1859, and that the compensation therefor should also be reduced from \$190,000 to \$125,000 per annum. Against this action of the Postmaster General, Hockaday immediately wrote a letter protesting, and also denying that the contract authorized the course determined upon, unless with the consent of the contractor. In the language of the House committee—

“The memorialists set forth that the failure of the annual Post Office appropriation bill impaired their credit, and diminished their resources

to such an extent as to subject them to great loss, but presenting in their case, however, no obstacle to the prosecution of the contract that was insurmountable; but when added to this a curtailment of the service and a reduction of the pay to the extent of \$65,000 per annum, without any diminution of expense, it involved them in irretrievable ruin. Thus at a single blow the accumulations, in Mr. Liggitt's case, of a long life of virtuous toil were swept away, his family beggared, and his partner, Mr. Hockaday, discouraged and disheartened, retired to Salt Lake City, where he now remains in a state of mental and physical debility, which disqualifies him from bestowing any attention whatever to his business. The contract was transferred by Hockaday & Co. to the present contractors, who have performed the service, your committee are informed, according to the original contract, in a manner entirely satisfactory to the department, preferring to carry the mail weekly rather than semi-monthly at the same price, as it is less expensive for them to carry the mail weekly than semi-monthly."

The proof shows, beyond doubt, that the reduction of the service from weekly to semi-monthly not only did not at all lessen the expenses of Hockaday and Liggitt in carrying the mail; but, on the contrary, actually increased them. This is proved by the postmaster at St. Joseph, at Atchison, at Fort Kearny, at Fort Laramie, at Fort Bridger, and at Salt Lake City; also, by Stephen R. Shrader, an experienced traveler on the plains, and who was well acquainted with the said route and the requirements upon the same. The agent on the route between St. Joseph and the crossing of the Platte, testifies that, in consequence of the reduction, the teams of mules had to be increased by the contractors from thirteen to twenty-five, and seven new stations had to be made; and the agent from the crossing of the Platte to the South Pass deposes, that the mules on that division had to be increased from 181 to 349, and that three more new stations had to be established; and the agent on the route between the South Pass and Salt Lake City swears that, previous to the reduction, 125 mules were sufficient for that portion of the line, but that afterwards the contractors were compelled to purchase 115 additional mules.

It also appears that when the reduction was resolved upon by the department there had been no diminution of mail matter to be transported. On the contrary, that it had rather increased. So that there was no public necessity for the reduction of the service arising from the fact that the weekly service was no longer needed on the route. It was as much needed at the time the reduction was made, and afterwards, as it had ever been at any time before, in order to transport the mail matter. The committee are satisfied, that if the Post Office appropriation bill had passed Congress at the last session, no reduction would have been made in the service on this route, and the default which produced this result, with all its consequent disasters and ruin to the contractors, was, primarily, on the part of Congress itself.

It may be said that no redress should be afforded to Hockaday & Liggitt; that in strictness of law they could not successfully enforce a legal demand against the government; that the contract empowered the Postmaster General to make the reduction of compensation which

threw them into bankruptcy and ruin. The provisions of the contract upon this point are found in the following clauses. First:

"The Postmaster reserving to himself the right to reduce the running time to twenty days in allowing therefor the additional sum of ten thousand dollars per annum, or to eighteen days for the additional sum of twenty-five thousand dollars per annum. The Postmaster General reserving the further right to reduce the service to semi-monthly, whenever the necessities of the public and the condition of affairs in the Territory of Utah may not require it more frequently, at one hundred and ninety thousand dollars per year, for and during the term commencing the first day of May, in the year one thousand eight hundred and fifty-eight, and ending with the thirtieth day of November, in the year one thousand eight hundred and sixty."

If the rules of the most technical legal strictness are to be applied in this case against the petitioners, how does the matter stand? By this clause, when the time is lessened, or, in other words, when the services are increased, it is expressly stipulated that the *compensation* shall also be proportionally *increased*. And the *amount* of the increase is *specifically* stated, when the time is diminished to twenty days, the additional sum of \$10,000 is to be added to the compensation, and when lessened to eighteen days the additional sum of \$25,000 is to be given in compensation. But where a *reduction of service* is stipulated for, *no reduction of compensation* is stipulated for; it is not provided for in the contract. More than this. The self same sentence that authorizes the Postmaster General to reduce the service, provides that such service is to be at \$190,000 per year. Still further, this clause does not specify who shall be the arbiter to determine "when the necessities of the public and the condition of affairs in the Territory of Utah may not require the mail to be carried more frequently than semi-monthly," much less does it designate the Postmaster General as the person to decide the point. By what right then, under the contract, could the Postmaster General reduce the service from weekly to semi-monthly, and the compensation from \$190,000 to \$125,000, against the protest of the contractor, and that to his utter undoing? If the strictness of law and construction are to be invoked in opposition to the indemnity sought by Hockaday & Liggitt, in common justice let them have the benefit of the same strictness in meeting the objections thus raised to their claim.

And further still, by this clause the service could be reduced to semi-monthly only on the concurrence of two conditions—first, when the necessities of the public, and, secondly, when the condition of affairs in Utah should not require it more frequently. What necessities of the public are here meant to be indicated? Why, clearly, necessities for the transmission of mail matter, and not the failure by Congress to pass the Post Office appropriation bill. The parties to the contract may, and probably did, contemplate the former, but never the latter.

The other clause of the contract in regard to the reduction is the following:

"Also, that the Postmaster General may discontinue or curtail the service in whole or in part, in order to place on the route a greater

degree of service, or whenever the public interests require such discontinuance or curtailment for any other cause, he allowing one month's extra pay on the amount of service dispensed with."

All that has been said in regard to the clause first quoted might be repeated, as fully applicable to this. It by no means vests in the Postmaster General the authority to determine when the public interests require discontinuance, against the protestations of the contractor and to his ruin, notwithstanding he has himself faithfully kept the contract.

The committee are of the opinion that upon a fair consideration of all the facts of this case, making it, as they do, very peculiar, not to say extraordinary, justice and good conscience require that Congress should afford some small indemnity to Hockaday & Liggit for the loss and damage which they have suffered. They are satisfied that their expenses necessarily incurred in order to fulfill their contract amounted to the sum of \$394,000. They sold out their contract and all their stock and property employed in the service to Jones, Russell & Co. for \$144,000. They received pay from the Post Office Department to the amount of \$197,916 67, making an aggregate of \$341,916 67, which, deducted from the \$394,000, shows a loss of \$52,083 33. But they also undoubtedly received something in the way of passage money for transporting passengers, and the committee have deemed it proper, in consideration thereof, to reduce the aforesaid balance of \$52,083 33 to the sum of \$40,000, which amount they recommend to be paid to Messrs. Hockaday & Liggit.

The committee, therefore, recommend the passage of the House bill with the following amendment: Strike out in the third and fourth lines the words "fifty-nine thousand and seventy-six" and insert in lieu thereof the following: "forty thousand."

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The papers referred to in the above report as exhibits, are as follows:

- Letter of Hon. S. H. Woodson, marked No 1.
- Letter of A. H. Campbell, marked No. 2.
- Letter of Wm. H. Russell, marked No. 3.
- Letter of L. R. Smoot, marked No. 4.
- Affidavit of Richard H. Porter, marked No. 5.
- Affidavit of Wm. H. Russell and Jerome B. Simpson, marked No. 6.

## EXHIBITS.

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No. 1.HOUSE OF REPRESENTATIVES, *May 10, 1860.*

At the request of J. M. Hockaday & Co., late contractors on mail route from St. Joseph, Missouri, to Salt Lake City, and who have a claim now pending before Congress, for damages sustained by them in consequence of the non-passage of the Post Office appropriation bill by the Thirty-fifth Congress, and the curtailment of service on said route, with diminution of pay, I make the following statement:

The contractors being intimate personal acquaintances and friends of mine, and residing in the same town with me, I was made acquainted with their entire business, as shown on their books; and having a personal knowledge of the amount of stock and other articles of outfit purchased by them, as well as a general knowledge of the expenses of the service on said route, I have no hesitation in saying that I believe the amount of \$394,000, stated by them in their memorial as having been expended by them in the first year's service, is substantially correct. I also state that I am cognizant of the fact that said contractors, in order to procure the means necessary to perform the service upon said route, were compelled to dispose of their drafts upon the Post Office Department at a loss, in the aggregate, of between \$15,000 and \$20,000.

S. H. WOODSON.

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No. 2.DEPARTMENT OF THE INTERIOR,  
*Pacific Wagon Road Office, May 24, 1860.*

This is to certify that Mr. E. L. Yates was employed by Mr. F. W. Lander, superintendent of Fort Kearny, South Pass, and Honey Lake wagon road, as agent at the South Pass for the sale of government property at that point, and that his conduct as such was highly commended by Mr. Lander, in his reports to this department.

ALBERT H. CAMPBELL,  
*General Superintendent Pacific Wagon Roads.*

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No. 3.WASHINGTON CITY, *May 10, 1860.*

GENTLEMEN: At the request of Mr. Wm. Liggitt, who represents Hockaday & Liggitt in a claim for damages, now before your committee

for consideration, I would beg to state that I am and have been quite familiar with that firm's transactions, and verily believe the amount charged by them as having been expended in connection with the Hockaday mail contract, on route \*8,911, that is, \$394,000, is about correct; that the amount paid them by Jones, Russell & Co. for the transfer of said contract, including all stations and improvements and facilities for conducting the mails, amounted to a fraction over \$94,000, to which add \$50,000, as a bonus allowed them by Jones, Russell & Co., which makes the sum of \$144,000 paid them by Jones, Russell & Co.

That they (Hockaday & Liggitt) were forced to sell out, and at a sacrifice, there is not a doubt, and all arising from the fact that their credit was destroyed, owing mainly to the fact that the appropriations failed at the last Congress.

I know both those gentlemen well, and believe them to be highly honorable; that they undertook the contract with a reasonable amount of means to have enabled them to successfully carry it out, had Congress appropriated the money (necessary to meet the quarterly dues) at the last session; and as the failure is attributable not to them, I must say, in all candor, I feel that the government should make good their actual loss.

Very respectfully,

WM. H. RUSSELL.

THE SENATE COMMITTEE ON POST OFFICES AND POST ROADS.

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No. 4.

WASHINGTON CITY, *May* 15, 1860.

DEAR SIR: At the time I was negotiating for the purchase of the Hockaday contract, I was satisfactorily informed both by Mr. Hockaday and his book-keeper, Mr. Tracy, that the sum of \$394,000, in round numbers, had been expended on said account up to that time, May 15, 1859. An exhibit was shown to me, and I have no doubt of its correctness.

The amount stated as \$145,000 being paid by us to Hockaday & Co. is correctly stated in round numbers, a thousand or so more or less.

The compensation received by Hockaday was from the commencement of the service up to 15th May, 1859.

The \$145,000 included mules, coaches, and property of every description used or employed in the transportation of the mail; but did not include any valuations of fee simple property in the shape of stations; they were not valued at any price, but included in the gross sum.

Very respectfully, yours,

L. R. SMOOT.

WM. LIGGIT.

## No. 5.

DISTRICT OF COLUMBIA, *City of Washington*, ss :

Richard H. Porter, a citizen of Independence, State of Missouri, makes, under oath, the following statement, to be read before the committee having in charge the application of William Liggitt and J. M. Hockaday.

This affiant has an acquaintance with said Hockaday and said Liggitt. He knows the country through which the post route lies, over which they undertook, from May, 1858, to transport the mail. He knows the circumstances under which the route was stocked, and those under which the contract was disposed of and the property transferred, and the causes which compelled the contractors to part with their contract and property. From this knowledge he is enabled to say, without hesitation or doubt, the order of the Postmaster General diminishing the contractors' pay, and the failure of Congress to pass the appropriation for postal service at the close of last Congress, between them, compelled the said contractors to part with their property at a most unpropitious moment for them, and that in the disposition of said property the said contractors sacrificed property below its value and far below its cost, and met a loss, in his opinion, of upwards of \$60,000.

First. At the time the contract was to be put into execution, May 1, 1858, mules, horses, and all kinds of stock ranged throughout the West at very high prices, say, for a mule, from \$145 to \$200. Affiant was himself purchasing at the time to fill contracts with government, and knows the state of the market at that time. The demand of government contractors then purchasing to afford transportation to Salt Lake City, Utah, created a severe competition in purchases, and gave great advantage to sellers, especially where they knew (as they did in this instance, far and wide) that the contractor was under the necessity of putting his service on the road by a given day. These contractors bought in a high market to stock their route; they sold in the succeeding year upon a market as low and flat and bad as it was possible for a market to be, because the spring of 1859 brought news of the probable temporary termination of our difficulties in Utah, and the government was now either a seller or expected to be so directly. There was *no demand* for mules, and among those dealing in stock prices ruled as low as the worst state of market could well get to be. It was this alternation between the buying price to stock the route to carry on their contract in 1858, and the selling price to get out of their contract in 1859, that swamped Mr. Liggitt, who was the man of property of the two contractors. This affiant verily believes their loss on mules alone exceeded \$30,000.

This affiant states that he is cognizant of the fact that very large expenditures were made by Hockaday, in 1858, to put the route in running order. Mr. Liggitt became bound for this. Affiant has been informed, and believes that those expenditures, together with expenditures made in locating and improving the lands to which they acquired preëmption rights as contractors, exceeded \$390,000. It was

probable, even with this indebtedness on the route, these contractors would get out of debt and realize a fair profit by their contract. Their debt was known to be large, but up to the adjournment of the last Congress, their credit was fair.

This affiant has no doubt that, had they been permitted to execute their contract according to the schedule on which it was carried on for the first year, they would have executed it, and would have realized some profit from it. This is his judgment from a somewhat intimate knowledge of such contracts and their operation. They would certainly have done very well with their preëmption claims and locations. Affiant knows personally they were offered \$10,000 for *one* of these locations, which was subsequently, in their sacrifice, passed off at some \$300 to \$400.

They had twenty-eight of these locations made, and, as affiant is informed, there was a large expenditure in opening and improving these. In some they had large fields of grain growing in May, 1859, all of which were passed away from them at a great sacrifice. This affiant does not know what estimate to put on the loss they sustained by losing the preëmption claims, which were forfeited by their parting with their contract, because their value was prospective and somewhat dependent on the opening of the country. The loss may be estimated by the instance he has already given, but the loss on their *improvements*, outside the preëmption claims, he would say would equal \$20,000.

Affiant is requested to state his knowledge of the causes of these disasters. He can state absolutely that when it was known in Missouri that Congress had failed to pass the Post Office appropriation bill in the spring of 1859, it embarrassed all contractors, and especially those who had a large indebtedness, but who had property, which, under ordinary circumstances, might bear them through. But when it became known that the Postmaster General had cut their service down to semi-monthly, and had cut off \$65,000 from their compensation, their credit was annihilated by this fact, because everybody knew the alteration would not diminish their expenses, while the Postmaster's order cut off all chance of their ultimately saving themselves. The fact when known produced a general run on them by creditors, and a demand by sureties for their own safety, the effect of which was to oblige them to a prompt and instant settlement of their affairs just as things then stood. The market was unpropitious; the action of the government made it so; these men were forced into it by the demand of their friends and creditors, and the consequence was the immense sacrifice of values and property to which this affiant has referred. Every one at all conversant with the matter, in Missouri, thinks these contractors have been cruelly treated by their government, and affiant entertains no doubt the estimate of \$60,000 will not cover their loss from the causes referred to.

R. H. PORTER.

DISTRICT OF COLUMBIA, *Washington City, set.:*

Richard H. Porter, who signed the foregoing affidavit in my presence, personally made oath before me that the statements therein

contained as of his own knowledge are true, and those made us on information from others he verily believes to be true.

In faith and attestation whereof, I have hereto signed my name, and have affixed my private seal, having no seal of office, at the District and city aforesaid, this 18th May, 1860.

[L. s.]

F. J. MURPHEY, *J. P.*

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No. 6.

We, William H. Russell, president, and Jerome B. Simpson, vice-president, of the Central Overland California and Pike's Peak Express Company, make oath and state that Hockaday & Smoot, assignees of J. M. Hockaday, of a mail route and contract from St. Joseph, Missouri, to Great Salt Lake City, Utah, holding in trust for Jones, Russell & Co., caused the property of said Hockaday, consisting of mules, coaches, stations, improvements, and supplies then on hand, appraised during last summer, that said appraisement amounted to the sum of ninety-four thousand dollars, which amount, including the sum of fifty thousand dollars as a bonus, has been by said Jones, Russell & Co. paid to said Hockaday in full for all interest in said mail route, coaches, stock, stations, &c.; and we further state that the sum of one hundred and forty-four thousand dollars is the full extent of any payments made or to be made to said Hockaday by said Jones, Russell & Co. We further state, that we have a full knowledge of the entire transaction. The Central Overland California and Pike's Peak Express, whom we represent officially, having bought out said Jones, Russell & Co's entire interest in said mail route, stations, and all other property in connection therewith.

WILLIAM H. RUSSELL, *President.*

J. B. SIMPSON, *Vice-President.*

Subscribed and sworn before me this 23d day of May, 1860.

[L. s.]

ABM. PIERCE,

*Notary Public.*

IN THE SENATE OF THE UNITED STATES.

JUNE 6, 1860.—Ordered to be printed.

Mr. YULEE submitted the following

VIEWS OF THE MINORITY

*Of the Committee on Post Offices and Post Roads, to whom was referred a bill from the House of Representatives (No. 513) for the relief of Hockaday & Liggit.*

The bill provides that the sum of fifty-nine thousand five hundred and seventy-six dollars be allowed to Hockaday & Liggit in full payment for damages sustained by them in reduction of pay for carrying the mails on route 8911; and that said amount be paid William Liggit for, and on account of, Hockaday & Liggit, and for their benefit.

The only person known to the government is the contractor, John M. Hockaday. Liggit's partnership is a private transaction between the parties, and as no assignment of the contract, or of any part of it, to Liggit was made known to the department, nor recognized by the government, no payment could be safely or properly made, under the contract, to other than John M. Hockaday the contractor.

Nor can a payment be safely authorized in this case to Mr. Hockaday, it being now known by the papers on file, and herewith reported, that by a deed dated May 11, 1859, Mr. Hockaday had transferred to Messrs. Jones, Russell & Co. all claim upon the government under his contract.

The deed or contract of assignment referred to, provides as follows:

"It is expressly understood that the said J. M. Hockaday and J. M. Hockaday & Co., sell, assign, and set over with said contract all claim or claims in behalf of the same before Congress or the department."

Mr. Russell, in a letter to the committee, (see Appendix A,) says he does not claim for what he understands to be the ground of Mr. Hockaday's claim, but that he does claim for continuing to do weekly service after the curtailment. The difference is only in terms. It will be seen by reference to the report and bill of the House of Representatives, that it is substantially for what Mr. Russell says his company claims—namely, the difference between the pay of original contract, and the pay for the curtailed service.

The general facts of the case appear to be as follows:

Service was in operation on route 9811 by J. B. Mills once a month in four-horse mail wagons, from 1st April to 1st December, and on pack-horses the rest of the year, for the sum of \$32,000.

The department annulled this contract and established an improved service under a contract with John M. Hockaday, dated 8th April, 1858. This service was sought by Mr. Hockaday, as appears by his letter dated March 31, 1858, marked B.

The contract provided for transporting the mail from St. Joseph, Missouri, by Fort Kearny and Fort Laramie, to Salt Lake City and back, once a week, in twenty-two days each way, at \$190,000 per annum; the service to be performed in carriages or covered wagons, drawn by four mules or horses. As the contract furnishes the only proper basis for the judgment of the Senate, it is appended in full, marked C.

The contract, it will be seen, contained the usual provision, that "the Postmaster General may discontinue or curtail the service in whole or in part, in order to place on the route a greater degree of service, or *whenever the public interests require such discontinuance or curtailment for any other cause*; he allowing one month's extra pay on the amount of service dispensed with."

In this instance there appears to have been unusual caution to make distinct this right to curtail; and the attention of the parties seems to have been especially attracted, while arranging the terms of contract, to the probability of occasion for curtailment; for the contract, in enumerating several special reservations of right by the Postmaster General, declares the following: "The Postmaster General reserving the further right to reduce the service to semi-monthly whenever the necessities of the public and the condition of affairs in the Territory of Utah may not require it more frequently."

It appears that the weekly service, which was oftener than formerly, (it was only monthly before,) was induced by the condition of affairs in Utah, which rendered more frequent communication desirable to the government; but it would seem from this provision that the necessity was expected to be only temporary, and that the parties so understood each other.

The service commenced on the 1st of May, 1858.

On the 14th day of April, 1859, the Postmaster General ordered a curtailment of service to semi-monthly with an annual deduction of \$65,000; making the compensation \$125,000 for twenty-four trips a year, instead of \$190,000 for fifty-two trips. This reduction of service and compensation *was not to take effect till 1st July, 1859.*

The history of the transaction is given in a letter from the Postmaster General to the committee, dated May 5, 1860, appended to this report, marked D, with its inclosures Nos. 1 and 2.

Other letters from the department, marked F and G, received by the committee in the course of the investigation, are also appended.

It became known to the committee that Mr. Hockaday, the contractor, who is the claimant to be relieved by the bill, ceased to have any interest in the route or contract *before* the period arrived for reducing the service. The assignment was dated May 11, and took effect on the 15th of May.

Up to the 1st day of July, 1859, before which time Mr. Hockaday's interest in the contract totally ceased, the department paid at the rate of \$190,000 per annum.

As the assignment above referred to has an important bearing upon the case, it is, together with an extract from a supplemental deed of subsequent date, appended in full, marked H and I.

At the time the contractor, Mr. Hockaday, learned of the purpose of the department to curtail the service, he remonstrated against it in letters dated March 28, and April 10, 1859, which accompany his memorial to Congress, but he does not give the reply of the department dated April 12, 1859, which has a very necessary connection with them, and which is appended to this report, marked K.

Mr. Hockaday and his associate, Mr. Liggitt, set forth in their memorial, that they informed the Postmaster General, "that a diminution of trips would not be attended with a corresponding diminution of expenses, but on the contrary augment the cost of performing the service." This rested upon the ground, as explained in the letter to the Postmaster General of March 28, that "if the mails are allowed to accumulate for two weeks, it is evident it will require for their transportation twice the number of men, mules, carriages, and fixtures per trip as is required when trips are made regularly once a week, and that each station on the route must be so provided with double relays of men, mules, and appointments."

They proceed to allege that "in consequence of the curtailment of service, with consequent diminution of pay, and the obvious increase of expense, they were wholly ruined in credit, and rendered unable to continue the service required." That by the same reason "they were forced to sell out their contract." That "in consequence solely of the curtailment of said mail service, and the diminution of pay therefor, they have been involved in debt greatly beyond their ability to pay." They allege great loss in the sale, and pray that Congress will pay "the amount of damages so sustained, or, at any rate, the sum of \$65,000, the difference between the compensation originally agreed to be paid, and the amount allowed for the service as curtailed."

The committee of the House report in favor of paying the memorialists damages in the sum of \$59,576, being, as the committee say, "the amount deducted from the original contract, and saved to the treasury up to the 1st day of June next."

That their case may be fully presented, their memorial and all the papers that accompanied it, are appended marked L.

It will be seen that the claim of the memorialists is rested in their memorial *altogether* upon the ground of the "CURTAILMENT," which is distinctly alleged to be "*solely*" the cause of their being injured.

Assuming that the contractors suffered a loss, precisely as stated by them, by reason of the curtailment, the minority of the committee cannot see upon what ground a claim of damage against the government can rest. It was a part of the contract between the parties that the government might curtail or entirely abandon the service, at its own pleasure, for any cause; and it seems particularly to have been contemplated between them that the reduction to semi-monthly service was likely to occur from the cessation, during the term, of the cause which had induced its being increased from monthly to weekly. The contractor had been paid a price for this reserved privilege; for it is of course true that the price agreed upon covered all the hazards

attending the stipulations of the contract. Besides, the damage to the contractor for the exercise by the government of the right to curtail was assessed in advance at an agreed sum, namely, one months' pay on the service dispensed with. And this agreed damage *has been duly paid by the government and received by the contractor through his assignee*, as shown by the following letter of the Auditor:

AUDITOR'S OFFICE, POST OFFICE DEPARTMENT,

June 1, 1860.

SIR: In reply to your note of yesterday to the Postmaster General, which was referred to this office, you are informed that a months' extra pay on route No. 8911, Missouri, on the curtailment of said route, was paid to the contractors, Hockaday & Smoot, on the 11th April last. This allowance was made in pursuance of an order of the Postmaster General, dated March 21, 1860.

Respectfully,

THOMAS M. TATE,

*Auditor.*

D. L. YULEE, Esq.,

*Chairman Committee on Post Offices and Post Roads,  
United States Senate.*

If, then, the government, when it suited the public interests, reduced the service, as it was privileged to do, and paid the damage agreed in the contract for so doing, that only has been done which it might rightfully do. If loss resulted to the contractors, it may be regretted, but no legal ground for reclamation upon the government can exist. Any other view would render contracts by the government a farce.

Nor in exercising this reserved privilege did the agent of the government (the Postmaster General) act hastily or stringently. He was cautious to be assured that the necessities of the government did not require a continuance of such frequent trips, and, in regulating the reduction, he was liberal beyond the ordinary rule of the department. The correspondence with the Secretary of War, which accompanies the Postmaster General's letter of 5th May, marked C, shows that, before making the order of 14th April, 1859, for curtailment, he had an interview with the Secretary of War, who stated "that a weekly mail to St. Joseph's and Salt Lake City was no longer needed for the purposes of the government," and it was under the influence of this statement the reduction was made. This was the very contingency contemplated in the contract, and one of which the military department was the best judge. Nor did the Post Office Department harshly give effect to its policy. It appears, by the admission of the contractor in his letter of March 28, that the Second Assistant Postmaster General requested him first to submit *a proposition* for the reduced service; and it was only after his failure to do so the department was obliged to apply its discretionary power, and then kindly, in the letter of 12th April, explained the reason and propriety of its action. "When the contract was made," says Mr. Dundas, writing by instruction of the Postmaster General to Mr. Hockaday, "it was expected that the army would be engaged in active operations in Utah, and that therefore frequent com-

munication between the seat of government and that Territory would be indispensable. Subsequent events having entirely changed the aspect of affairs, he conceives that the reasons which prompted the reservation now apply in full force."

Nor was the government stringent or unreasonable in the terms imposed upon the contractor. According to the habitual rule of the department, the contractor would only be entitled to receive \$95,000, instead of which the Postmaster General allowed \$125,000, being \$5,208 33 for a round trip of the curtailed service, instead of \$3,653 75, which was the original contract price of the round trip, or above thirty thousand dollars per annum more than the strict rule would have given him.

The government then has only exercised its right under the contract, and has done so with caution and consideration, kindly, and in a liberal spirit.

This branch of the subject is fitly concluded with the following extract from the Postmaster General's letter:

"In regard to my views 'touching the merits of the claim,' which you request, I will observe that I cannot, under the circumstances, discover that there is the slightest ground for it. The allowance of such claims must necessarily operate injuriously on the interests of the public service, as tending to unsettle and render void contracts which have been entered into by the parties with the utmost deliberation and premeditation. In settling the deduction the department was liberal. It might have taken off the full *pro rata*; but, for the reasons assigned in the letter to Mr. Helmick, an excess of \$37,308 per annum was left, which I think must be deemed ample to cover any damages to accrue from a curtailment which it was contemplated by both parties, at the time of making the contract, might be made."

We may very well stop here and rest the defense of the government against this claim upon the ground of contract right.

But it may not prove to be amiss, for the convenience of those who prefer to look into the alleged equities, to review the case as presented in that form.

It is alleged that the curtailment operated to the ruin of the contractor, because the mail matter being as much as a wagon could carry each week, the accumulation during the interval would require two wagons and teams. And it is said that the curtailing order, which presented a case of increased expenditure and diminished compensation, destroyed their credit and broke them down; and that it will be equitable, (as thought the committee of the House,) on account of that double service, shown, as they say, to be necessary, to give them full contract pay to this time.

In the first place, it is not true that the contractor could have been required to use more than one four-mule wagon twice monthly. No matter what might be the accumulation of mail matter, he would have had to take a reasonable load for his contract vehicle, and no more. It would belong to the department to provide for the remaining mail matter. The subjoined letter from Mr. Dundas, conclusively shows that the alleged apprehension, as well as the alleged experience, had no foundation in fact:

POST OFFICE DEPARTMENT,  
*Contract Office, May 31, 1860.*

SIR: In answer to yours of this date, I have to state that, in the case of a contract to carry the mails in a four-horse wagon, if the amount of mail matter is too great to be carried by such means, the contractor is not bound to carry more than can be conveyed in the prescribed mode. If the contractor shows to the department by specific and satisfactory proof that the amount of mail matter is more than can be so carried, it is competent for the department, and such is its practice, to order additional *pro rata* pay for the additional means necessary.

But the law expressly forbids the allowance for additional pay for such additional service without the previous issue by the Postmaster General of an order therefor, prescribing the amount of increased pay in dollars and cents.

Very respectfully, your obedient servant,

WM. H. DUNDAS,  
*Second Assistant Postmaster General.*

Hon. D. L. YULEE,  
*Senate of the United States.*

In the second place, the contractor, John M. Hockaday, sold his contract *before the time for curtailing service and pay was reached*, and had no beneficial concern or connection afterwards with it. He received full contract pay for full contract service as long as he had any connection with it. He was therefore never subjected to any trial of the effect of the reduced service. His connection ceased on the 15th of May, while the curtailed service went into effect only on the 1st of July.

In the third place, the impossibility that any injury to the credit of the contractor could have resulted from the curtailment is shown by the reason that *after the curtailment was ordered and known*, and in the full understanding of the fact, Jones, Russell & Co. gave him a bonus of fifty thousand dollars for the remnant of the term.

This fifty thousand dollars was a clear bonus, a consideration for the naked privilege to carry the mail upon that route at the price which the department was to pay. It was not for anything else. The agreement of sale expressly provided for separate payment of the full value of all the property of every description used in the business of the mail transportation. The provision in the agreement is in the following words:

"J. M. Hockaday & Co. sell to the said Jones, Russell & Co. his or their contract for carrying the mail from St. Joseph, Missouri, to Salt Lake City, to be turned over to them on the 15th instant, (May,) on the following terms, to wit: First, a bonus of fifty thousand dollars, all mules, coaches, wagons, and harness, used for transporting for the mail line, and all other things connected with the carrying of said mail, including the cost of all improvements at the stations en route. Houses, corrals, farming utensils, land broken, &c., at any indefinite sum, to be reached by a valuation which the parties hereto may mutually agree upon hereafter, paid and to be paid as follows," &c.

Thus, it will be seen, he was to receive the *full appraised value of everything*, even of "land broken," and besides that, a bonus of fifty thousand dollars for his proprietorship of the contract.

But it is said that the appraisement was so much below the value that the contractor still lost. If the appraisement was below value it was the fault of the contractor. He had a right under the contract to the full value; he joined in selecting and appointing the appraisers; he committed to them the duty of prescribing rules for the valuation. If those rules were unfair, and the appraisers were dishonest in their action and unfaithful to their trust, there was a remedy in the courts. Besides, the deed provided for arbitration of differences between the parties. But Mr. Hockaday accepted the appraisement and thus confirmed its sufficiency.

That every reason exists to suppose a fair valuation, it is deemed proper to show the arrangement made between the parties for obtaining it.

In a deed to carry into effect the previous agreement of May 11, 1859, before referred to, are embraced among others the following provisions:

"The parties, pursuant to the tenor of their said contract of sale, now agree upon and appoint William H. Ewing, Solomon Young, and J. R. Lyle, as appraisers, to value the mules, teams, coaches, wagons, stock, harness, and other things provided for in said contract of sale, and that their valuation and decision, to be reported by them, or the umpire of them, in writing, and signed by them or their umpire, shall be binding and conclusive to the parties. It is further agreed, that any differences that may hereafter arise between the parties under this contract, shall be referred for final determination to two referees, one to be chosen by each party, with liberty to them, in case of disagreement, to choose an umpire, and that their decision, or that of their umpire, shall be final and conclusive between the parties.

"It is further agreed that the appraisers, hereinbefore named, shall decide upon the mode and manner of valuation aforesaid, and also any question that may arise as to the property and things proper to be valued under the terms of this contract."

It is plain there could be no undervaluation but from infidelity of the appraisers, or negligence of his rights by the contractor.

But it is also said the time was unpropitious for the sale. Without being fully informed, the minority of the committee infer from general information that this supposition is a mistaken one. The discoveries of gold at Pike's Peak, and the civil disturbances in Utah, both combined to make the route desirable. Jones, Russell & Co. placed at once on more than five hundred miles of the route a daily line of four-horse coaches for the accommodation of passengers to Pike's Peak, and without expecting any additional mail pay. And the affairs in Utah must of course have made the travel for the rest of the way not inconsiderable.

It is further said that although the right, under the contract, to dispense with trips, and to curtail the service to twice monthly, be conceded, there was not to be any diminution of compensation.

This argument resolves itself into the absurdity that government

would provide for reducing the frequency of mail supply on a route when no reduction in *cost* was to result in favor of the treasury. As though frequency of mails was *an evil to be escaped* even at a cost of money.

It is also said that if a reduction of compensation was contemplated under the contract, the Postmaster General was not authorized to apply his own discretion in making it. It is sufficient to reply that the practise of the government has been such from the beginning, and that it is a practise well understood and recognized by contractors. It has not been questioned before.

If the department has not this authority, who has, or how is it to be exercised? The exigencies of the public interests requires instant decision in such cases. What other mode more plausible or more just can be suggested? How could the privilege of curtailment be operative at all for the public advantage except in this way? It is too late in the day now for Congress to admit any doubt of this authority.

But as to this point, as well as to the other suggestion that the Postmaster General has no legal right to curtail service at all, the proper answer is, that the questions of law and of contract involved are precisely such as fall within the distinct and authoritative jurisdiction of the Court of Claims, and should be remitted, if seriously advanced, to that tribunal. The first section of the act establishing the Court of Claims provides: "That the said court shall hear and determine all claims founded *upon any law* of Congress, or upon any regulation of an executive department, or *upon any contract*, express or implied, with the government of the United States, which may be suggested to it by a petition filed therein."

Lastly, it is now suggested that it was the failure of the appropriation bill which broke the contractor and obliged him to sell.

This ground may be briefly dismissed with the reply that the memorial presents no such case, but, on the contrary, distinctly negatives it. The memorial expressly states that the injury complained of was "*in consequence of the curtailment of service*," and repeats that it was "*in consequence solely of the curtailment of said service*."

It is not thought competent for the committee to reject the state of facts asserted in the memorial, and to substitute a *new and antagonist* presumption.

As the alleged pecuniary loss of Mr. Hockaday is strongly urged upon the sympathies of the committee and Congress, the committee have made some effort to obtain the precise state of facts, that the Senate might be fully informed upon every material point.

With that view the following resolution was adopted, and a copy of it directed to be furnished the memorialist, which was done:

"WEDNESDAY, May 18, 1860.

"*In Committee of the Senate on Post Offices and Post Roads.*

"In the matter of the memorial of J. M. Hockaday & Co. it was voted:

"*Resolved* 1. That there is no legal case for remedy.

"2. That before the committee will proceed to consider the equity of the case, they desire a full and explicit statement, embracing—

"*First.* A full and explicit statement in detail of the entire cost of the property, real and personal, procured by the contractors, and also of all improvements made thereon.

"*Second.* The appraisal by which the property aforesaid was sold.

"*Third.* The whole amount received by the contractors, during the time they had the contract, from the government, and all other sources.

"*Fourth.* The amount lost by death or deterioration of mules, and in any other way."

The evidence which would have been material was a proved schedule of the property actually purchased for the service, and its cost, an inventory of the property at date of sale, a copy of appraisement, and an exhibit of all receipts from the route, &c. Nothing of all this has been provided by the claimant; but, in stead, the committee has been furnished with *opinions* of other parties, altogether too vague and uncertain to furnish a basis of reliable judgment.

Desirous to make a calculation upon the best obtainable data of an authentic character, the committee procured from the Post Office Department a copy of a paper deposited there by the claimant, Mr. Hockaday himself, in the summer of 1857, showing in the utmost detail the estimated cost of stocking the route and running it for one year. It is appended to this report, marked M. It will be seen that every conceivable item of expense was calculated for, and generally at extravagant rates, wages *averaging* \$536 per annum, and board for the same employes *averaging* \$296 a year. Corn at some points as high as six and seven dollars per bushel, and averaging throughout the route over three dollars per bushel. Shoes for mules to the cost of twenty-one dollars per year for each mule, &c. Besides, the outfit was estimated at much beyond what seemed necessary.

But the minority of the committee have adopted this statement just as it is for a basis of calculation.

Excluding the items for pack saddles, &c., not required under this contract, the total cost estimated for stocking the route and running it a year is \$60,429.

This calculation is for a carriage drawn by six mules, and, as the contract requires only four, a reduction of one-third in the cost of mules, and of feeding and shoeing them, is proper, viz: \$9,960, leaving the sum of \$50,469.

This was for a monthly service. What is the proper relative proportion for an increased service the committee is not prepared to advise, but, referring to the best attainable means of judgment, they venture a calculation.

On the table of estimated cost prepared by Mr. Hockaday, and before referred to, he says in a note: "After the fixtures on the line are established *the cost of a semi-monthly mail could be made moderate, or any increase of service that may be required.*"

In a formal bid dated August 1, 1857, (marked N,) Mr. Hockaday

bids for a *monthly* mail service, and also a *twice monthly*, making for the latter an additional charge of about 30 *per cent*.

But instead of 30 *per cent* we will add one half or 50 *per cent*. for twice monthly, and then double that amount for weekly, which would make, for the cost of stocking and running the route weekly for one year \$151,406. Mr. Hockaday did the service one year and fifteen days, which would make his cost \$157,715.

Against this, his admitted receipts, exclusive of passengers, have been as follows:

Mail pay for one year and fifteen days.....	\$197,916 66
One month's pay, upon curtailed service.....	5,416 67
From Jones, Russell & Co.....	145,000 00
	<hr/>
	\$348,333 33

Thus leaving an estimated over-balance of \$190,618.

But suppose (in order that no question may remain) we *quadruple* the total estimate which Hockaday made for one year's service. The sum of cost then would be \$201,976 for one year, and \$210,392 for the year and fifteen days, leaving still a balance in favor of the contractor of \$137,941 33, besides passenger money.

After considering the calculation in this form, and analyzing the estimate which was furnished to the department by the claimant under circumstances likely to induce the fullest possible estimate of cost, it is difficult to accept, without some hesitation, the allegation that the expenditures in the first year were \$394,000. How such a sum could have been used in the legitimate purposes of the route, with any tolerable discretion in its use, it is difficult to imagine. That the necessity for such proof as was contemplated in the resolution of the committee, before recited, is evident, if the committee were at liberty to consider the question of loss at all.

The extent to which the credulity of the legislative department may be imposed upon, when it undertakes to act upon a subject of executive or administrative nature, upon *ex parte* testimony, and in ignorance of the history of the transaction, is strongly exhibited by the character of the testimony upon which the bill in this case rested. It will be seen that the most positive affidavits are made that a *very large increase of stock and stations* was put upon the route after the first day of July, 1859, and that these additional teams and stations were made indispensably necessary by reduction of mail service. The affidavits of C. W. Wiley, J. A. Slade, and James E. Bromley, are referred to.

It will surprise those who were misled by these statements, to learn from the letter of Mr. Russell (representing Jones, Russell & Co., the party that carried the mail during all the period embraced in the affidavits,) that the service has continued, without any change, all the while, as before, weekly!!!

If the route was properly provided for the service before sale by Hockaday, there was, of course, no occasion to add to the stock or stations afterwards.

Besides, the letter of Mr. Dundas shows that the department did

not require any more weight of mail to be carried than could be taken in one four-horse wagon.

There is every reason to believe that the addition made to the stock of the route was for passenger accommodation.

It is plain that the affidavits of these deponents, who represent themselves to be *agents of the contractors*, are in conflict with Mr. Russell, who is president of the company of contractors.

There is no principle upon which the bill can be placed, that does not open the treasury to an illimitable amount of demands for similar damages.

## EXHIBITS.

## A.

WASHINGTON CITY, *May 10, 1860.*

DEAR SIR: Your note of to-day in reference to the claim of Hockaday & Liggitt for damages under contract \*8911 with Post Office Department, and inquiring whether we had any claim independent of that urged by them, growing out of said contract, has been received.

The claim of Hockaday & Liggitt, as I understand it, is for damages resulting from the action of the department in cutting down the service to semi-monthly. This reduction is declared to have been made at a time when it was absolutely necessary to perform weekly service. It is alleged by Hockaday & Liggitt that it operated to discredit them; that it compelled them to dispose of their contract and stock at much lower rates than they could have obtained had the service not been reduced.

Jones, Russell & Co. purchased the contract and stock of Hockaday & Liggitt *after* the reduction of the service, but were compelled to do weekly service, on account of the quantity of mail matter to be forwarded. We think we are justly entitled to payment for this extra service. It is certainly due us by any fair interpretation of the contract, in connection with the fact that weekly service has been a necessity. We have no claim to urge for *damages* arising from the action of the department in cutting down the service, which, as I understand it, is the claim of Hockaday & Liggitt now before your committee.

Very respectfully,

WM. H. RUSSELL,  
*For Jones, Russell & Co.*

L. WASHINGTON, Esq.,

*Clerk to Committee on Post Offices and Post Roads,  
United States Senate.*

## B.

WASHINGTON CITY, D. C., *March 31, 1858.*

SIR: In the event the contract for carrying the mail between St. Joseph, State of Missouri, and Great Salt Lake City, Territory of Utah, is awarded me on original proposal, viz: to convey the mail in carriages or covered wagons drawn by four mules or horses, once a week each way, making the trips in (18) eighteen days, for the annual sum of two hundred and fifteen thousand (\$215,000) dollars, I will leave it to the discretion of the department to adopt either of the following schedules:

1st. To increase the running time to twenty days, and diminish the compensation to two hundred thousand (\$200,000) dollars per annum, for same character and description of service.

2d. To increase the running time to twenty-two days, and diminish the compensation to one hundred and ninety thousand (\$190,000) dollars per annum, for same character and description of service.

The amount of preparation required to perform the service successfully prompts me to beg your immediate attention to this subject, on the event either of my propositions are accepted, and to ask that you will at your earliest convenience have my bonds prepared that I may go on to make at once the necessary arrangements for the service.

Very respectfully, yours, &c.,

JOHN M. HOCKADAY,  
*Brown's Hotel, Washington D. C.*

HON. WILLIAM H. DUNDAS,  
*Second Assistant Postmaster General, Washington.*

### C.

#### INDEPENDENCE, JACKSON COUNTY, MISSOURI.

No. 8911.

\$190,000 per annum.

This article of contract, made the first day of April, in the year one thousand eight hundred and fifty-eight, between the United States (acting in this behalf by their Postmaster General) and John M. Hockaday, and David H. Burr, William M. Belt, and A. J. Isacks, witnesseth:

That, whereas John M. Hockaday has been accepted, according to law, as contractor for transporting the mail on route No. 8911, from Saint Joseph, Mo., by Fort Kearny, Neb. Ter., and Fort Laramie, to Salt Lake City, Utah Ter., and back, once a week, in twenty-two days, each way, at \$190,000 per annum, the service to be performed in carriages or covered wagons, drawn by four mules or horses; the Postmaster General reserving to himself the right to reduce the running time to twenty days, he allowing therefor the additional sum of ten thousand dollars per annum; or to eighteen days, for the additional sum of twenty-five thousand dollars per annum; (the Postmaster General reserving the further right to reduce the service to semi-monthly whenever the necessities of the public and the condition of affairs in the Territory of Utah may not require it more frequently)—at one hundred and ninety thousand dollars per year, for and during the term commencing the first day of May, in the year one thousand eight hundred and fifty-eight, and ending with the thirtieth day of November, in the year one thousand eight hundred and sixty:

Now, therefore, the said John M. Hockaday, contractor, and David H. Burr, William M. Belt, and A. J. Isacks, his sureties, do jointly and severally undertake, covenant, and agree with the United States, and do bind themselves—

1st. To carry said mail within the times fixed in the annexed schedule of departures and arrivals, except that when more than seven minutes are taken for opening and closing the mails at any office, the

surplus time so taken is to be allowed in addition to what is given in the schedule; and so carry until said schedule is altered by the authority of the Postmaster General of the United States, as hereinafter provided, and then to carry according to said altered schedule. 2d. To carry said mail in a safe and secure manner, free from wet or other injury, in a boot under the driver's seat, and in preference to passengers, and to their entire exclusion if its weight and bulk require it. 3d. To take the mail and every part of it from, and deliver it and every part of it at, each post office on the route, or that may hereafter be established on the route, and into the post office at each end of the route, and into the post office at the place at which the carrier stops at night, if one is there kept; and if no office is there kept, to lock it up in some secure place at the risk of the contractor.

They also undertake, covenant, and agree with the United States, and do bind themselves, jointly and severally as aforesaid, to be answerable for the person to whom the said contractor shall commit the care and transportation of the mail, and accountable to the United States for any damages which may be sustained by the United States through his unfaithfulness or want of care; and that the said contractor will discharge any carrier of said mail, whenever required to do so by the Postmaster General; also, that he will not transmit by himself or his agent, or be concerned in transmitting, commercial intelligence more rapidly than by mail, and that he will not carry out of the mail, letters or newspapers which should go by post; and further, the said contractor will convey, without additional charge, post office blanks, mail bags, and the special agents of the department on the exhibition of their credentials.

They further undertake, covenant, and agree with the United States, that the said contractor will collect quarterly, if required by the Postmaster General, of postmasters on said route, the balances due from them to the General Post Office, and faithfully render an account thereof to the Postmaster General, in the settlement of quarterly accounts, and will pay over to the General Post Office all balances remaining in his hands.

For which services, when performed, the said John M. Hockaday, contractor, is to be paid by the said United States the sum of one hundred and ninety thousand dollars a year, to wit: quarterly in the months of May, August, November, and February, through the postmasters on the route, or otherwise, at the option of the Postmaster General of the United States—said pay to be subject, however, to be reduced or discontinued by the Postmaster General, as hereinafter stipulated, or to be suspended in case of delinquency.

It is hereby stipulated and agreed, by the said contractor and his sureties, that the Postmaster General may alter the contract, and alter the schedule, he allowing a *pro rata* increase of compensation, within the restrictions imposed by law, for the additional service required, or for the increased speed, if the employment of additional stock or carriers is rendered necessary; but the contractor may, in case of increased expedition, relinquish the contract, on timely notice, if he prefer it to the change; also, that the Postmaster General may discontinue or curtail the service, in whole or in part, in order to place on the route a

*greater degree of service, or whenever the public interests require such discontinuance or curtailment for any other cause; he allowing one month's extra pay on the amount of service dispensed with.*

It is hereby also stipulated and agreed, by the said contractor and his sureties, that in all cases there is to be a forfeiture of the pay of a trip when the trip is not run; and of not more than three times the pay of the trip when the trip is not run, and no sufficient excuse for the failure is furnished; a forfeiture of at least one fourth part of it when the running is so far behind time as to lose connection with a depending mail; and a forfeiture of a due proportion of it when a grade of service is rendered inferior to the mode of conveyance above stipulated; and that these forfeitures may be increased into penalties of higher amount, according to the nature or frequency of the failure and the importance of the mail; also, that fines may be imposed upon the contractor, unless the delinquency be satisfactorily explained to the Postmaster General in due time, for failing to take from or deliver at a post office the mail, or any part of it; for suffering it to be wet, injured, lost, or destroyed; for carrying it in a place or manner that exposes it to depredation, loss, or injury, by being wet, or otherwise; for refusing, after demand, to convey a mail by any coach which the contractor regularly runs or is concerned in running on the route, beyond the number of trips above specified; or for not arriving at the time set in the schedule. And for setting up or running an express to transmit letters or commercial intelligence in advance of the mail, or for transporting knowingly, or after being informed, any one engaged in transporting letters or mail matter in violation of the laws of the United States, a penalty may be exacted of the contractor equal to a quarter's pay; but in all other cases no fine shall exceed three times the price of the trip. And whenever it is satisfactorily shown that the contractor, his carrier or agent, has left or put aside the mail, or any portion of it, for the accommodation of passengers, he shall forfeit not exceeding a quarter's pay.

And it is hereby further stipulated and agreed, by the said contractor and his sureties, that the Postmaster General may annul the contract for repeated failures; for violating the post office laws; for disobeying the instructions of the department; for refusing to discharge a carrier when required by the department for assigning the contract without the consent of the Postmaster General; for setting up or running an express as aforesaid; or for transporting persons conveying mail matter out of the mail as aforesaid; or whenever the contractor shall become a postmaster, assistant postmaster, or member of Congress; and this contract shall, in all its parts, be subject to the terms and requisitions of an act of Congress passed on the 21st day of April, in the year of our Lord, one thousand eight hundred and eight, entitled "An act concerning public contracts."

In witness whereof, the said Postmaster General has caused the seal of the Post Office Department to be hereto affixed, and has attested the same by his signature, and the said contractor and his sureties

have hereunto set their hands and seals, the day and year set opposite their names respectively.

Signed, sealed, and delivered, by the Postmaster General, in the presence of—

\_\_\_\_\_, *Postmaster General.*

And by the other parties hereto in the presence of—

I hereby certify that I am well acquainted with and \_\_\_\_\_, and the condition of their property, and that after full investigation and inquiry, I am well satisfied that they are good and sufficient sureties for the amount in the foregoing contract.

\_\_\_\_\_, *Postmaster at*

*The schedule of departures and arrivals.*

Leave St. Joseph every Saturday at 8 a. m.;

Arrive at Salt Lake City in 22 days by 8 a. m.

Leave Salt Lake City every Saturday at 8 a. m.;

Arrive at St. Joseph in 22 days by 8 a. m.

D.

POST OFFICE DEPARTMENT,

*May 5, 1860.*

SIR: Your letter of the 17th ultimo, and accompanying papers, in the matter of the House bill for the relief of Messrs. Hockaday & Liggit, are before me. You ask to be furnished with all the information the records of the department afford, and such views touching the case as in my opinion "the public interests connected with the successful operation of the postal service may render appropriate."

The act of Congress approved 29th May, 1856, having released the then contractor (Mr. Magraw) from his contract for the conveyance of the mails on route No. 8,911—Independence to Salt Lake City and back, once a month—and directed the route to be advertised, an advertisement was prepared, inviting proposals for service from 1st December, 1856, to 30th November, 1860, which was issued on the 31st May, 1856. Under this advertisement, Hiram Kimball was found to be the lowest bidder, at \$23,000 per annum, and was accepted. Not having executed contracts in proper season, and for other reasons, the route was, by order, afterwards let to S. B. Miles, at \$32,000 per annum. His performance being very irregular, and monthly service being found to be insufficient for the public wants, in consequence of the threatened rebellion of the Mormon population, this contract was, by order of 1st April, 1858, annulled, and a contract for improved service between St. Joseph, Missouri, and Salt Lake City, Utah Territory ordered with Mr. John M. Hockaday, at the very enlarged sum of \$190,000

per annum, for the unexpired term, commencing on the 1st May, 1858, and to end on the 30th November, 1860. This contract contained, among others, a special reservation, which reads as follows, viz: "The Postmaster General reserves the further right to reduce the service to semi-monthly, whenever the necessities of the public and the condition of affairs in the Territory of Utah may not require it more frequently."

On the failure of Congress, at the last session, to provide the usual and necessary appropriations for the service of the department, I felt myself compelled to review the existing mail service of the country, with a view to its curtailment, so as to bring the expenses as near to the revenues derived from postages as the public convenience would admit of. Among the numerous others, this case came under examination, and finding from the terms of the contract that the understanding between the parties was that the full service provided therein was not to be continued unless the condition of affairs in Utah required it, as expressed in the special reservation hereinbefore quoted, and believing that the contingency therein embraced had arisen, I came to the conclusion that the curtailment should be ordered; but before taking action in the matter, that no injustice or damage might be inflicted on the contractor or the government, I consulted the Secretary of War. I inclose copies of the correspondence which occurred between us, from which it will appear that the views of the Secretary coincided fully with my own in regard to the needlessness of the improved service for the purposes of the army. Accordingly, on the 14th April, 1859, I ordered a reduction of the service to semi-monthly, at an annual deduction from the pay of \$65,000, to take effect from 1st July, 1859. It will be perceived that this deduction of pay was less than *pro rata* by \$37,308 per annum, this being one of the class of cases referred to in the reply to the letter of Mr. Helmick, of the House Committee on Post Offices and Post Roads, of date March 22, 1860, (a copy of which reply was transmitted to the Senate Committee on Post Offices and Post Roads, under date of 28th April, 1860,) where the generally inflexible rule of full *pro rata* deduction was made to yield to the pressure of unusual circumstances.

I also inclose a copy of Mr. Hockaday's contract with the department, that it may be seen that besides the usual reservation of the right to discontinue or curtail service, there is a special clause, before adverted to, which shows that the contractor was not taken by surprise, but that the probable curtailment was a matter of specific understanding and agreement between him and the then Postmaster General.

In regard to my "views touching the merits of the claim," which you request, I will observe that I cannot, under all the circumstances, discover that there is the slightest ground for it. The allowance of such claims must necessarily operate injuriously on the interests of the public service, as tending to unsettle and render void contracts which have been entered into by the parties with the utmost deliberation and premeditation. In settling the deduction, the department was liberal. It might have taken off the full *pro rata*; but, for the reasons assigned in the letter to Mr. Helmick, an excess of \$37,308 per annum was left, which, I think, must be deemed ample to cover any damages

to accrue from a curtailment, which it was contemplated by both parties, at the time of making the contract, might be made.

The papers referred with your communication are herewith returned.

Very respectfully, your obedient servant,

J. HOLT,  
*Postmaster General.*

Hon. D. L. YULEE,

*Chairman Committee on Post Offices and Post Roads,  
United States Senate.*

No. 1.

POST OFFICE DEPARTMENT, *May 1, 1860.*

SIR: The postal communication between St. Joseph's, Missouri, and Salt Lake City, Utah, was, in consequence of the threatened rebellion of the Mormon population, improved to a weekly mail, in order that the government might be enabled to correspond regularly and rapidly with the troops engaged in military operations in that Territory. It was expressly provided in the contract that the Postmaster General should have the power to curtail the service whenever the reason which had led to this improvement should cease to exist, and accordingly, upon the restoration of tranquillity in Utah, the service was reduced to a semi-monthly mail, to take effect on 30th June last. Before making, however, the order for this curtailment, I had an interview with you upon the subject of the change proposed, in the course of which you stated that a weekly mail to St. Joseph's and Salt Lake City was no longer needed for the purposes of the government, and it was under the influence of this declaration, on your part, that the reduction was made.

My purpose in addressing you is to inquire whether your recollection of our interview, and of the statement which I suppose you to have made, corresponds with my own.

I have the honor to be, very respectfully, your obedient servant,

J. HOLT.

Hon. JOHN B. FLOYD,

*Secretary of War.*

No. 2.

WAR DEPARTMENT, *May 2, 1860.*

SIR: In reply to your letter of the 1st instant, in regard to the reduction of the mail service from St. Joseph's to Salt Lake City, I have the honor to state that my recollection of our conversation on this subject coincides with your own, as expressed in your communication.

Very respectfully, your obedient servant,

JOHN B. FLOYD,  
*Secretary of War.*

Hon. JOSEPH HOLT, *Postmaster General.*

E.

POST OFFICE DEPARTMENT, *May 10, 1860.*

SIR: To the inquiries contained in your communication of the 9th instant on the subject, I beg to say that the contract of Mr. John M. Hockaday was, by request, on the 20th July, 1859, ordered to be transferred to Messrs. John M. Hockaday & L. R. Smoot, to take effect from July 1, 1859, subject to the payment of certain drafts drawn by Mr. Hockaway upon the pay for the third and fourth quarters of 1859, and filed with the Auditor. The service would, therefore, be in the name of John M. Hockaday from May 1, 1858, up to July 1, 1859, and of Hockaday & Smoot since that period.

I inclose you statements from the Auditor of the accounts of the parties, which will show the payments made for the services performed. You will observe there has been no payment on account of interest upon indebtedness previously to July, 1859, to Mr. Hockaday. But interest to Hockaday & Smoot for indebtedness subsequently to July 1, 1859, has been liquidated, as will be seen by their account.

The length of route No. 8911, St. Joseph's to Salt Lake City, is computed to be 1,150 miles, according to the original advertisement.

Very respectfully, your obedient servant,

J. HOLT,  
*Postmaster General.*

Hon. D. L. YULEE,  
*Chairman Committee Post Offices and Post Roads,  
United States Senate.*

Dr.

*J. M. Hockaday, late contractor, in account with the United States.*

Cr.

20

1858.			1859.		
July 31	To deductions .....	\$7,307 68	June 30	By transportation on route 8911, from 1st May, 1858, to 30th June, 1859, at \$47,500 per quarter..	\$221,840 66
Aug. 16	To warrant 3400, on Boston.....	15,000 09		By balance .....	6 85
16	To warrant 3401, on New York .....	9,532 98			
Sept. 30	To collections.....	6 85			
Nov. 5	To warrant 5341, on New York .....	30,000 00			
5	To warrant 5340, on New York .....	17,500 00			
1859.					
Feb. 14	To warrant 8236, on Boston.....	12,500 00			
14	To warrant 8237, on St. Louis .....	20,000 00			
14	To warrant 8238, on New York .....	15,000 00			
1860.					
Feb. 21	To warrant 2742, on New York .....	95,000 00			
		221,847 51			221,847 51
	To balance.....	6 85			

Dr.

*Hockaday & Smoot, contractors, in account with the United States.*

Cr.

1860.			1859.		
Feb. 18	To fines.....	\$500 00	Dec. 31	By transportation on route 8911, from 1st July to 31st December, 1859, at \$31,250 per quarter.....	\$62,500 00
Mar. 1	To warrant 3698 .....	62,000 00		By one month's extra pay on reduction of service..	5,416 67
12	To warrant 4135 .....	400 52		By interest .....	469 94
April 11	To warrant 5643 .....	5,416 67			
11	To warrant 5644 .....	69 42			
		68,386 61			68,386 61

JOHN M. HOCKADAY AND WILLIAM LIGGITT.

F.

POST OFFICE DEPARTMENT,  
*Contract Office, May 31, 1860.*

SIR: In answer to yours of this date, I have to state that in case of a contract to carry the mails in a four-horse wagon, if the amount of mail matter is too great to be carried by such means, the contractor is not bound to carry more than can be conveyed in the prescribed mode. If the contractor shows to the department, by specific and satisfactory proof, that the amount of mail matter is more than can be so carried it is competent for the department, and such is its practice, to order additional *pro rata* pay for the additional means necessary. But the law expressly forbids the allowance of additional pay for such additional service, without the previous issue, by the Postmaster General, of an order therefor, prescribing the amount of increased pay in dollars and cents.

Very respectfully, your obedient servant,

W. H. DUNDAS,  
*Second Assistant Postmaster General.*

Hon. D. L. YULEE,  
*United States Senate.*

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G.

POST OFFICE DEPARTMENT,  
*May 31, 1860.*

SIR: In answer to your inquiry on the subject, I have the honor to state that John M. Hockaday, contractor on mail route No. 8911, has not accepted interest on the pay due him, under the act passed the present session.

I learn, in the Auditor's Office, that interest has been paid to Hockaday & Smoot (in whose name the route has appeared since 1st July last) on the amount for the quarter ending September 30, but that Hockaday has not applied for interest due himself *alone*, for services prior to 1st July last.

Very respectfully, your obedient servant,

A. N. ZEVELY,  
*Third Assistant Postmaster General.*

Hon. D. L. YULEE,  
*United States Senate.*

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H.

*Memorandum of agreement between Jones, Russell & Co., and J. M. Hockaday and J. M. Hockaday & Co., made this 11th day of May, 1859, at Leavenworth City, Kansas Territory, as follows:*

The said J. M. Hockaday & Co. sell to the said Jones, Russell & Co., his or their contract for carrying the mail from St. Joseph, Mis-

souri, to Great Salt Lake City, to be turned over to them on the 15th instant, on the following terms and conditions, to wit: First. A bonus of fifty thousand dollars, all mules, coaches, wagons, and harness, used for transporting for the mail line, and all other things connected with the carrying of said mail, including the cost of all improvements at the stations *en route*, houses, corrals, farming utensils, land broken, &c., at any indefinite sum to be reached by a valuation, which the parties hereto may mutually agree upon hereafter, *paid, and to be paid* as follows: The said Hockaday & Co. receive, as part payment, the balance due upon the present quarter from the 15th instant—being twenty-three thousand seven hundred and fifty dollars. Fifteen thousand dollars in an acceptance of Jones, Russell & Co., payable in New York, four months from the 15th instant; thirty-six thousand two hundred and fifty dollars in cash, from the 1st to the 10th day of September, 1859, the balance in the acceptance of Jones, Russell & Co., in three equal installments of four, eight, and twelve months, payable in New York; the second and third of which shall become due and payable in eight and twelve months from the 15th instant; the first in four months from the time of the ascertainment of the valuation to be hereafter made. Further, it is agreed between the parties hereto, that the said mail shall be run through Atchison, Kansas Territory, unless a change is ordered by the Post Office Department unsolicited. It is expressly agreed that any failure on the part of Jones, Russell & Co., after they take possession of the line, shall not diminish the amount due as per contract on the 30th of June for said period. The said Hockaday, and Hockaday & Co., both, or either of them, further agree that they will, when called upon, execute any further assignment of said contract that may be necessary, and agree that the name of J. M. Hockaday shall be used by Jones, Russell & Co., in the execution of said contract, so far as the same may be necessary in its performance, and no further; and the said John M. Hockaday further agrees to give his personal aid and influence to secure the interests of Jones, Russell & Co., before Congress for an increased compensation for carrying said mail, so far as he can, with convenience to his own business, interests, the said Jones, Russell & Co., agrees to pay him a liberal compensation therefor in case of success. It is expressly understood that the said J. M. Hockaday and J. M. Hockaday & Co. sell, assign, and set over with said contract, all claim or claims in behalf of the same before Congress or the department.

Witness our hand and seals this 11th day of May, A. D. 1859, at Leavenworth City, Kansas Territory.

JONES, RUSSELL & CO.	[L. s.]
J. M. HOCKADAY.	[L. s.]
J. M. HOCKADAY & CO.	[L. s.]
WILLIAM H. RUSSELL.	[L. s.]

Witness: D. R. RISLEY.

Witness as to W. H. Russell, Jos. ROBERSON.

## I.

In a subsequent deed to carry into effect the agreement of May 11, 1859, are embraced, among others, the following provisions:

"The parties pursuant to the tenor of their said contract of sale, now agree upon and appoint William H. Ewing, Solomon Young, and J. R. Lyle, as appraisers, to value the mules, teams, coaches, wagons, stock, harness, and other things provided for in said contract of sale, and that their valuation and decision, to be reported by them, or the umpire of them, in writing, and signed by them or their umpire, shall be binding and conclusive upon the parties. It is further agreed that any differences that may hereafter arise between the parties under this contract shall be referred for final determination to two referees, one to be chosen by each party, with liberty to them, in case of disagreement, to choose an umpire, and that their decision, or that of their umpire, shall be final and conclusive between the parties.

"It is further agreed that the appraisers hereinbefore named shall decide upon the mode and manner of valuation aforesaid, and also any question that may arise as to the property and things proper to be valued under the terms of this contract."

## K.

POST OFFICE DEPARTMENT,  
*Contract Office, April 12, 1859.*

SIR: The Postmaster General instructs me to say, in answer to your letter of the 11th instant, that the order to reduce the service between St. Joseph, Missouri, and Salt Lake City, Utah, to semi-monthly, was made not merely in consequence of the failure of Congress to appropriate the necessary sums for the service of the Post Office Department, but because he deemed the weekly service needless for the public wants; that, in fact, the state of things contemplated by the reservation in the contract had occurred. When the contract was made, it was expected that the army would be engaged in active operations in Utah, and that therefore frequent communication between the seat of government and that Territory would be indispensable. Subsequent events having entirely changed the aspect of affairs, he conceives that the reasons which prompted the reservation now apply in full force. He therefore insists that the order for the curtailment be made absolute, and that the postmasters be instructed to send from and after the 1st of July next the mails semi-monthly only.

Very respectfully, your obedient servant,

WM. H. DUNDAS,  
*Second Assistant Postmaster General.*

Mr. JOHN M. HOCKADAY,  
*Brown's Hotel, Washington, D. C.*

## L.

## MEMORIAL.

*To the honorable the Senate and House of Representatives  
of the United States of America in Congress assembled:*

Your memorialists, John M. Hockaday, late contractor on route No. 8911, for carrying the United States mail from St. Joseph, in the State of Missouri, to Great Salt Lake City, in the Territory of Utah, and William Liggitt, who has since become a full partner in said contract, as hereinafter detailed, respectfully represent: That, on the 8th day of April, 1858, the said Hockaday entered into a contract with the United States to carry the mail upon said route, weekly, for the annual compensation of \$190,000; (a true copy of which said contract is hereto appended, and made part of this memorial.) That, accordingly, weekly service was commenced on said route on the 1st day of May, 1858, and that it has been faithfully and satisfactorily performed, as the accompanying letter from the chief clerk of inspection office, dated March 7, 1859, marked A, and letters also herewith marked J and K, from postmasters at St. Joseph, Missouri, and Atchison, Kansas, will abundantly testify. That, on the 7th day of April, 1859, the contractor was notified, by the direction of the Postmaster General, that it had been decided to retain only semi-monthly service on said route from and after the 1st day of July, 1859, at an annual compensation of \$125,000. That, on the 28th of March, 1859, the contractor addressed a letter to the Postmaster General, setting forth the fact that a diminution of trips would not be attended with a corresponding diminution of expenses, but, on the contrary, augment the cost of performing said service; and again, on the 10th day of April, protesting against this action on the part of the department as unjust and onerous, and not contemplated nor provided for in the original contract, inasmuch as the "necessities of the public, and the condition of affairs in the Territory of Utah," remained substantially unchanged.

These letters marked B and C, respectively, are herewith submitted, to which especial reference is made, as forming an important part of this memorial.

That, in support of this statement of the contractor, in reference to an increased expense attending a diminution of trips, the several postmasters at St. Joseph, Missouri, Forts Kearny, Laramie, Bridger, and Salt Lake City, have each addressed the Postmaster General on the subject, unanimously concurring therewith, copies of which are also herewith, marked D, E, F, G, and H.

That in the month of October, 1858, your memorialist, William Liggitt, became a full partner with said Hockaday in said contract, assuming to pay one half of all the debts theretofore contracted on account of said mail service, incurring one half of all the losses, and sharing equally with said Hockaday all the profits that might accrue from said contract.

That, in order faithfully to perform the requirements of said con-

tract, your memorialists expended for mules, carriages, provisions, station-houses, stables, corrals, provender, and hire of hands, the sum of \$394,000, as is shown by their books, which have been properly and accurately kept, and devoted their entire time and attention in unremitting diligence to that end.

That, in consequence of the magnitude of the undertaking, and the doubtful sufficiency of the compensation, they were compelled to resort to their credit and the assistance of confiding friends, who indorsed for them, in order to enable them to procure the means to fulfill their contract. That, in consequence of the curtailment of service, with consequent diminution of pay, and the obvious increase of expense, they were wholly ruined in credit, and rendered unable to continue the service required. Seeing that they were pecuniarily ruined, and that to continue to perform the contract, under the construction of the Post Office Department, would but involve them in greater embarrassment, and with a view of saving their friends from loss, as far as possible, they were forced to sell out their contract, together with all their property, at a ruinous sacrifice, for \$145,000, which was at least \$100,000 less than it would have been reasonably worth, and would have brought in open market, had not such curtailment of service been made.

Your memorialists further state that, in consequence solely of the curtailment of said mail service, and the diminution of pay therefore, they have been involved in debt greatly beyond their ability to pay, and that the property of your memorialist, William Liggit, of every description whatsoever, is now under execution for the payment of debts to the amount of twice its value, which were incurred necessarily for the fulfillment of said contract.

Believing in all truth, that the government of the United States should remunerate your memorialists for the damages thus sustained, they earnestly, but respectfully, pray that an act be passed by your honorable bodies to pay to your memorialists the amount of damages so sustained, or, at any rate, the sum of \$65,000, the difference between the compensation originally agreed to be paid, and the amount allowed for the service as curtailed; and as in duty bound, your memorialists will ever pray, &c., &c.

J. M. HOCKADAY & CO.

WASHINGTON CITY, D. C., *March 14, 1860.*

## APPENDIX.

*T. P. Tutt, Acting Chief Clerk Post Office Department, to J. M. Hockaday.*

POST OFFICE DEPARTMENT,  
*Inspection Office, Washington, D. C., March 7, 1859.*

SIR: The department can safely assure you that you have performed the mail service upon route No. 8911, St. Joseph to Great Salt Lake City, in a manner highly creditable to yourself as contractor, and affording much satisfaction to the department; that you commenced the service upon said route on the 1st day of May, 1858; that there have been no fines imposed for irregular or improper service; and that the mails have been conveyed with great regularity through the most trying season of the year. All of which is evidence to the department that the route is well stocked and in good condition.

Respectfully, your obedient servant,

T. P. TUTT, *Acting Chief Clerk.*

JOHN M. HOCKADAY, *Present.*

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*J. M. Hockaday to J. Holt, Postmaster General.*

WASHINGTON, D. C., *March 28, 1859.*

SIR: On the 26th instant, I called on the Second Assistant Postmaster General, Hon. W. H. Dundas, and was requested by him to submit to the Post Office Department a proposition to convey the mails on route No. 8911, between St. Joseph, Missouri, and Great Salt Lake City, Utah Territory, twice a month, instead of once a week, according to the terms of my present contract.

This request on the part of Mr. Dundas evidently emanated from the belief that a diminution of trips could be attended by a corresponding diminution of compensation without doing injustice to the contractor. In the case under consideration, Mr. Dundas's position is incorrect.

The mail, *each week*, at present, makes up a full load or cargo for one six-mule coach, the mail-matter varying from 700 to 1,300 pounds per trip. If the mails are allowed to accumulate for two weeks, it is evident it will require for their transportation twice the number of men, mules, carriages, and fixtures, *per trip*, as is required when the trips are made regularly once a week, and that each station on the route must be so provided with double relays of men, mules, and appointments. Consequently, no reduction takes place in the current expenses of the contractor.

This rule holds so long as the accumulation of mail matter between trips amounts to a full cargo or load for the grade of service employed; and Mr. Dundas's view of the case is only applicable when, in consequence of the frequency of the trips, the mail matter forms but a fractional part of a cargo; in which event a diminution of trips based on the accumulation of a full cargo of mail matter, might be made without injustice to the contractor, as he could reduce the quantity of his stock,

the number of his employés, &c., and consequently his current expenses.

This view of the case is not suggested to meet any present issue, but was laid before the department when I bid on the route in July or August of 1857, accompanied with a full estimate of what I deemed necessary to insure sufficient service after an acquaintance of seven years with the country over which said route runs. My bid and exhibit are now on file in the department.

I would further suggest that a mail line of 1,147 miles in length, running through an entirely unsettled country, is difficult to establish, and requires time to develop; that in its establishment, heavy outlays are necessarily incurred, since all the provender, provisions, and fixtures used on the entire route have to be transported over land from the Missouri river to the various points where required; and, when once distributed along the line, are comparatively worthless, unless applied to the purposes for which originally designed, as the concentration of, and transportation to, any available market would be attended with more expense than the proceeds arising from the sale of such commodities; while the permanent fixtures, such as station-houses, stables, workshops, ferries, and the improvement of experimental farms, would be an entire loss if once abandoned.

In direct application of this fact, our books show an expenditure on the route of \$394,000, and the only property on hand that would bear transportation to any available market consists of \$117,000 worth of live stock, which would reach market greatly depreciated in value.

These considerations have, in some instances, induced Congress, in establishing these long routes through unsettled countries, to give contracts for longer periods than four years, in order to indemnify the contractor for the heavy outlay incurred in first establishing the route; and it has been the usual custom of the department to allow the contractor several months to stock and provide his route before he was ruled to schedule time; while, in my case, the contract was for an unexpired term of two years and seven months only, and the service required to be put in operation within thirty days from the signing of the contract.

When the present contract was entered into in May last, the department called for efficient service. The manner in which I have responded to that call is a matter of record in your department.

If the necessities which prompted that call have subsided, (which, however, is problematical,) it was certainly never contemplated by either the contractor or the department that the former was to be sacrificed by leaving him immersed in debt contracted in carrying out the service agreed upon, and from which he reasonably expected to relieve himself by aid of the compensation allowed by the department, according to the terms of the contract as then understood by both contracting parties.

The failure of Congress in providing funds for the support of the postal service is, of itself, well calculated to shake the credit of contractors, and if, in addition to this, the department cuts down their service, (the only support on which they can reasonably rely to obtain an extension of credit until such time as provision is made by Con-

gress to meet the requirements of the department, and eventually to enable the contractor to discharge his liabilities, incurred in good faith,) under these accumulated embarrassments, the party to a heavy contract, who sustains his credit unimpaired, will have good cause for self-congratulation. While I am willing to carry on my service until Congress provides for the payment of contractors, I am constrained to admit my inability to accomplish the same if any material change is made in the character of the service, or any material diminution of the compensation on which I have relied to meet the expenditures already incurred in establishing my route.

Any change that would diminish my ability to sustain myself is peculiarly unfortunate at this time, as the entire class of adventurous young men from which my employés are drawn is now highly excited with the prospect of realizing fabulous wealth from the gold regions which are contiguous to my mail route. The principal commodities required on my route are bringing exorbitant prices on the frontier, in consequence of the heavy emigration to the gold mines; and nothing but exorbitant wages and high prices will enable me to supply the route with labor and such necessities as are indispensable to good service.

I have, sir, endeavored to treat this subject with as much brevity as its important consequences to my securities and myself will admit of. While the embarrassments of your department are but temporary, your decision in this case may involve us in embarrassments and perplexities from which it will require years of labor to extricate ourselves.

Very respectfully, your obedient servant,

J. M. HOCKADAY.

Hon. J. HOLT, *Postmaster General*.

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*J. M. Hockaday to W. H. Dundas, Second Assistant Postmaster General.*

WASHINGTON, April 10, 1859.

SIR: Your letter of April 7, informing me of the decision of the Postmaster General to retain on my route from St. Joseph's, Missouri, to Great Salt Lake City, Utah Territory, semi-monthly mail service only, came to hand on the 9th instant.

I readily comprehend the embarrassment of the department, resulting from the failure of Congress to pass the appropriation bill, and no class of community is likely to have greater cause to regret said failure than contractors.

I shall, for reasons set forth in my letter of the 28th of March to the Postmaster General, (a copy of which I inclose, with the request that it may be placed on file in the department,) continue to run my carriages over the line weekly, and if not refused the mail by the postmasters on the route, will convey the same once a week, as heretofore, relying on Congress to allow me the difference between the price fixed by the department for the service ordered and my original

contract price, as this is the only method I see of protecting my securities and myself from ruinous loss.

You inform me that "this order is made in pursuance of the express reservation in your contract of the right of the Postmaster General to reduce the *service* as above stated." It is true that there is an express reservation in my contract, authorizing the Postmaster General to diminish the service, *in certain contingencies*, to semi-monthly.

The contingencies contemplated by the parties to the contract have not yet, in my opinion, arisen; and your order, when analyzed, is virtually but an order to reduce the compensation of the contractor, as it does not diminish the amount of mail matter transported, and actually increases the expenses of transporting the same; and I am greatly mistaken if the spirit of the contract contains any reservation authorizing a change of the nature ordered.

Had such contingencies arisen as were contemplated by the parties to the contract at the time it was made; had the service become wholly useless, or but little needed by the public or the Territory of Utah, in consequence of the emigration of the Mormons and the withdrawal of the army, the reduction of compensation consequent upon the reduction of the mail, in importance, weight, and expense of transportation, would then be a matter of equitable adjustment between the contracting parties, but certainly not a question to be determined by either party to the contract, without the assent of the other.

Very respectfully, your obedient servant,

J. M. HOCKADAY.

Hon. W. H. DUNDAS, *Second Ass't P. M. Gen.*,

*Washington, D. C.*

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*Postmaster at St. Joseph, Missouri, to Postmaster General.*

ST. JOSEPH, MISSOURI, *July 20, 1859.*

The Salt Lake mail service from this place having been reduced from once a week to twice a month, at the request of the contractors, I beg to state the practical working of the reduction.

The mail, when carried once a week, consists usually of about twenty (20) sacks, weighing one thousand pounds or more. Of course, when carried only twice a month, it will be more than double this quantity.

The contractors, when carrying this mail once a week, are enabled to carry the same with four mules and one coach; but when running only twice a month, they will be obliged to run two coaches and eight mules, as it will be impossible to carry the mail with one team. Thus the expense will be just double, as it will require double the number of mules, double the number of coaches, and double the number of drivers. This stock must be kept on hand all the time, so that the reduction of the service just doubles the expense to the contractors.

In the winter, when the mail is usually the largest, it will come still harder on them, as they will, a great portion of the way, be obliged to pack the mail on mules.

Taking the above facts into consideration, I am of the opinion that

the mail can be carried once a week at about half the expense of carrying it twice a month.

With great respect, your obedient servant,

WM. A. DAVIS, *Postmaster.*

The Hon. POSTMASTER GENERAL.

A true copy.

Attest: JO. S. ROBERTSON,

*Leavenworth City, July 21, 1859.*

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*Letter from Postmaster at Fort Kearny to Postmaster General.*

FORT KEARNY, N. T., *August 18, 1859.*

SIR: As an act of simple justice to the St. Joseph and Salt Lake mail contractors, by whom I have been addressed upon the subject, I would respectfully represent:

That, from an intimate knowledge of the requirements thereof, I cannot regard the recent reduction of the mail service from a weekly to a semi-monthly one as carrying with it, in the slightest degree, a reduction in the cost of transportation to the contractors; but, on the contrary, am fully persuaded that their expenses are, and, from the necessities of the case, must be, in every way, as great now, under a semi-monthly, as they were formerly, under a weekly service. How this may be so it is not difficult to understand, when we reflect that the amount of mail matter *monthly* remaining unchanged, and the bulk and weight of the *semi-monthly* mail, are equivalent to those of *two weekly* mails, and, being too great for one vehicle to carry, entail the necessity, upon the departure of each mail, of running *two* coaches instead of one, as heretofore. This necessity, it will be seen, involves yet another—that of maintaining an extra number of animals, of *employés*, of stations, and of stock of every description, at an enhanced cost of probably  $33\frac{1}{3}$  per cent.

Nor are the mail contractors the only sufferers by the recent changes in the mail service. The rapid growth of population along this main overland thoroughfare to California and only mail route to Utah, as well as the increased military force in the West, had inspired the hope that, at no distant day, we should be favored with a SEMI-WEEKLY mail. It has, therefore, been with no small degree of expense and dissatisfaction that our community has learned how small earnest of such a purpose is given in the recent action of the department in connection with the Salt Lake mail. Upon the officers and soldiers of the army, stationed at this and other points in Nebraska and Utah, the curtailment of the facilities of communicating with their families in the East bears with an especial severity, whilst by every class of our people a return to the old order of things—a *weekly* mail—is a consummation devoutly wished.

I have, sir, the honor to be your obedient servant,

JOHN HETH, *Postmaster.*

Hon. POSTMASTER GENERAL,

*Washington, D. C.*

*Postmaster at Fort Laramie to Postmaster General.*LARAMIE, NEBRASKA TERRITORY, *August 11, 1859.*

SIR: The recent change on the St. Joseph and Salt Lake mail from a weekly to a semi-monthly one being a subject of great interest to our community, and one which I am called upon in my official capacity frequently to hear severely commented upon, I desire to submit to the consideration of the department the following statement:

That Laramie being a point of note upon the emigrant route to both Utah and California, a large number of letters is received at this office for emigrants and others *en route* for those places, and a still greater number here mailed for the East; and that the amount of mail matter for those attached to this post, in itself by no means inconsiderable, is greatly swollen of late by the rapidly increasing population of the surrounding country.

The present arrangements, enabling us to communicate with the East only twice a month, bears very heavily upon all classes of our citizens, soldiers, and civilians, whilst to the contractors it is a manifest injustice. The amount of mail matter to be carried, upon the departure of each stage, is now *fully double* what was formerly the case when the service was a weekly one. This necessitates the running of *two coaches instead of one*, and the maintaining of *twice the number of animals and drivers*, with just the same number of stations, as heretofore. All this is done, of course, at a largely increased cost to the contractors. Having an accurate knowledge of the difficulties to be encountered in carrying the mail in this country, I have no *hesitation in saying that the cost of carrying a semi-monthly mail is just as great to the contractor as would be the cost of a weekly service.*

Under these circumstances, therefore, I may be permitted to invoke the favorable action of the department in behalf of a community already laboring under peculiar postal disadvantages, and to express, in their name, the earnest hope that it may be the pleasure of the department to restore the former service.

Your obedient servant,

NORMAN R. FITZ HUGH,  
*Postmaster.*

Hon. POSTMASTER GENERAL,  
*Washington, D. C.*

*Letter from Postmaster at Fort Bridger to Postmaster General.*FORT BRIDGER, UTAH TERRITORY, *July 30, 1859.*

SIR: Having been called upon by the mail contractor for the St. Joseph and Salt Lake route in reference to the mail service on the route, I beg leave to state some facts for the information of the department.

The weekly mail which has recently been substituted by a *semi-monthly* mail is more expensive to the contractor than a weekly mail.

The weekly quantity of mail matter over this route amounts to about eighteen bags, which is quite as much as can be transported in

one six-mule vehicle. The semi-monthly quantity may be safely set down at thirty-six bags, more or less. To transport this latter quantity requires *two* vehicles, involving the imperative necessity of maintaining *double* the number of *animals* and drivers. This extra number of animals and men must be maintained at an expense of *two-thirds* greater cost, at least, to the contractor than for the *weekly mail*. The contractors prefer (and, as I think, with sound reasons,) to carry a *weekly* rather than a *semi-monthly* mail *at the same compensation*; and it scarcely need be observed that our citizens and the military along the whole route should *prefer a weekly* to a *semi-monthly* mail.

Trusting that this brief communication will receive a friendly consideration, I have the honor to be, very respectfully, your obedient servant,

W. A. CARTER,

*Postmaster at Fort Bridger, Utah Territory.*

Hon. POSTMASTER GENERAL UNITED STATES,

*Washington, D. C.*

*Letter from Postmaster at Salt Lake City to Postmaster General.*

VERMILLION, August 16, 1859.

Having been called on by the contractors to state what I considered the comparative cost of carrying a semi-monthly and a weekly mail on the route from Salt Lake City to St. Joseph, Mo., would state:

I am well advised of the necessities of the service on this route. The schedule time will make it necessary for the contractors to keep up the same number of mail stations.

The amount of mail will make it necessary, having due regard to the "celerity" of the mail, to run two coaches; consequently, I think the expense of a semi-monthly mail will equal the expense of a weekly mail. A population of sixty thousand persons are seriously inconvenienced for the want of this mail. The contractors *would prefer*, I am satisfied, to carry a weekly mail to a semi-monthly one, even at the same price.

I have the honor to be, sir, your obedient servant,

H. L. MORRELL,

*Postmaster, Salt Lake City, Utah Territory.*

Hon. POSTMASTER GENERAL,

*Washington, D. C.*

*Letter from Postmaster at St. Joseph, Mo., to Hockaday & Smoot.*

POST OFFICE ST. JOSEPH, Mo., November 18, 1859.

GENTLEMEN: In reply to yours of 16th, I take pleasure in stating that the service on route No. 8911, from this office to Salt Lake City, has been faithfully and satisfactorily performed, with but very few failures to arrive in contract time at this end of the route since its establishment, and none since early last spring; and that generally the arrivals here have been from one to two days ahead of the contract time.

Application for this mail has been regularly made every week since the 1st of July last, but in consequence of the positive instructions of the Post Office Department to that effect, it has only been sent twice a month since that date. I think that the bulk of this mail remains about the same as before the reduction of the service, and that consequently the amount of mail matter sent by each trip since then has been rather more than double of that sent when the mail was carried weekly; and I know that on one occasion, and probably more, two coaches were furnished to transport this mail.

Very respectfully, your obedient servant,  
 WILLIAM A. DAVIS,  
*Postmaster.*

Messrs. HOCKADAY & SMOOT.

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*Letter from Postmaster at Atchison to Hockaday & Smoot.*

ATCHISON POST OFFICE, K. T.,  
 November 18, 1859.

GENTLEMEN: I would say, in reply to yours of the 16th instant, that your coaches have called at this office regularly every Tuesday, about noon, and demanded mail for Utah Territory and intermediate points on the route, since the commencement of your contract, and have reported on Fridays generally of each week, as having arrived from Utah, sometimes with mail and sometimes without. As this is not the end of the route, I have not kept a register of your arrival and departure.

I have taken notice that your semi-monthly coaches have, in going out, been overloaded, where you attempted to carry the mail in one coach, and from my experience of traveling to Salt Lake, I do not think it possible that you can travel upwards of fifty miles per day on that route with sixteen hundred pounds of mail in one coach, and no doubt it would be economy to you to carry one half the amount each week. Where you are compelled to use two coaches semi-monthly, you must of course double your animals at each station on the route, and require the same number of stations.

I do not know exactly what your contract is, but I would say that, taking in consideration of the amount of mail that you are now carrying, you can afford to carry the mail from here to Utah Territory cheaper, each week, than you can carry it semi-monthly. No doubt but from this date on, you will find it almost impossible to get it through from Bridger to Salt Lake City; and without you keep animals on the route to keep the track through the snow well beaten, you will require at least animals to go over the route every week.

The amount of mail for Utah has largely increased since the commencement of your service.

Respectfully,  
 HENRY ADDOMS,  
*Postmaster at Atchison, Kansas Territory.*

Messrs. HOCKADAY & SMOOT,  
 Contractors Route No. 8911, Leavenworth, K. T.  
 Rep. No. 259—3\*

*Affidavit of C. W. Wiley.*

TERRITORY OF KANSAS, *County of Leavenworth:*

On this twenty-sixth day of November, A. D. 1859, personally appeared before me, Luther L. Todd, a notary public for the county and Territory aforesaid, Charles W. Wiley, known to me as an agent of the contractors (for transporting the United States mail from St. Joseph, Missouri, to Great Salt Lake City, in the Territory of Utah,) from St. Joseph, Missouri, to the crossing of the Platte river, who being duly sworn according to law, doth depose and say, that prior to the 1st day of July, 1859, there was used and employed on said portion of said route, thirteen mule teams; that since that period there have been added twelve mule teams, making twenty-five teams in all employed on said portion of the mail route as aforesaid; and further, that said additional teams were most necessary and indispensable to run said mail, by reason of extra weight of mail, caused by the accumulation of mail matter twice a month; that there have also been added, from the same necessity, seven new stations on said portion of route; and further this deponent saith not.

C. W. WILEY.

Sworn to and subscribed before me, this 26th day of November, A. D. 1859.

[SEAL.]

LUTHER L. TODD,  
*Notary Public.*

*Affidavit of J. A. Slade.*

The undersigned, J. A. Slade, agent from Morrell's Crossing of South Platte to South Pass, on mail route from St. Joseph, Missouri, to Salt Lake City, verily deposeth:

That the mail was carried on the portion of the road on which I am agent *weekly*, with one hundred and eighty-one mules, to July 1, 1859.

That since the reduction of the service to semi-monthly, the number of mules have been increased to three hundred and forty-nine on the same portion of the road.

Also, that three more new stations have been established on the same portion of the line, and that said increase of stations and stock was necessary for the transportation of the mail in schedule time.

Also, that he is satisfied that it costs the contractors more to transport the mail semi-monthly than it did when it was carried *weekly*.

J. A. SLADE.

Sworn to and subscribed before me, this 15th day of November, 1859.

NORMAN R. FITZ HUGH,  
*Notary Public.*

*Affidavit of J. E. Bromley.*

FORT LARAMIE, NEBRASKA TERRITORY,  
November 4, 1859.

The undersigned, James E. Bromley, agent of the St. Joseph and Great Salt Lake mail line, over the route from the South Pass to Great Salt Lake City, depose as follows:

That previous to July 1, 1859, a weekly mail was carried over said route, employing one hundred and twenty-five mules, which number was amply sufficient; that since the reduction of the service to semi-monthly, one hundred and fifteen mules have been purchased and put on that portion of the line, making two hundred and forty mules now employed in conveying a semi-monthly mail, and that said increase of stock was proved necessary by reduction of mail service.

JAMES E. BROMLEY.

Sworn to and subscribed before me, this 4th day of November, A. D. 1859.

NORMAN R. FITZ HUGH, *Notary Public.*

DISTRICT OF COLUMBIA,  
*City and county of Washington,* } ss.

Personally appeared to me,  
a justice of the peace, duly qualified and commissioned, on this 16th day of March, A. D. 1860, Stephen R. Shrader, of the county of Clay, and State of Missouri, who makes oath and states, that he is well acquainted with the United States mail route, No. 8911, from St. Joseph, Missouri, to Great Salt Lake City, in the Territory of Utah, and with the requirements of the mail service upon the same, as also with the manner in which said service was performed by the late contractors thereon, having traveled over said route during the last year, making it his business to examine and inquire. He further states, that he is an experienced traveler upon the plains, and well acquainted with the difficulties attending the transportation of the mails over said route, and the cost of service thereon, and has no hesitation in saying that the cost for semi-monthly service in transporting the entire mail, is quite as much as it would be for weekly service. He also states that he is acquainted with the effect produced by the failure of the Thirty-fifth Congress to pass the Post Office appropriation bill, and the curtailment of service with diminution of compensation upon the said John M. Hockaday & Co., and is prepared to state confidently that the damage they have sustained in consequence thereof exceeds the sum of \$65,000, the difference between the compensation allowed under the original contract and that allowed for semi-monthly service; and he further says, that he has no interest whatever in the matter in regard to which he thus testifies, and further says not.

STEPHEN R. SHRADER.

Subscribed and sworn to before me the day and year first above written.

THOMAS C. DONN,  
*Justice of the Peace for Washington city, D. C.*

M.—*Estimate for stocking and running mail for one year on route No. 8911, from Independence, six hundred pounds mail matter—packing*

Stations.	Distance between stations.	Distance from Independence.	Number of men.	Wages.	Board.	Bedding.	Number of mules.	Cost of mules.	Tons of hay.	Cost of hay.	Bushels of corn.
	Miles.	Miles.									
Independence, Missouri.....			1	\$240	\$175	\$60	16	\$2,080	24	\$288	1,088
Big Blue, Kansas Territory.....	184	184	2	960	436	60	10	1,400	18	216	680
Fort Kearny, Nebraska Territory.....	163	347	2	960	510	72	10	1,454	18	270	680
Fort Laramie, Nebraska Territory.....	327	674	2	1,200	510	78	20	3,000	35	525	1,360
Independence Rock, Nebraska Territory..	187	861	2	960	584	84	10	1,600	18	270	680
Black's Fork, Utah Territory.....	208	1,069	2	960	510	84	10	1,600	18	270	680
Great Salt Lake City, Utah Territory.....	129	1,198	1	360	365	....	16	2,560	30	600	1,360
Traveling parties from Independence to Fort Laramie.....			3	2,010	1,095	90	....	....	....	....	....
Traveling parties from Fort Laramie to Great Salt Lake.....			3	2,010	1,095	129	....	....	....	....	....
Total cost of labor, mules, &c.....				9,660	5,280	657	....	13,690	....	2,439	....
Number of hands, mules, coaches, &c.....			18	....	....	....	92	....	161	....	6,528

Guns, pistols, and ammunition, (omitted).....

Total outlay.....

#### REMARKS.

Economy might suggest an increase of stations and stock on a permanently established route.

The average distance traveled by each team within the month is greater than that traveled by regular lines in the States.

The number of men estimated for are indispensable to the service, owing to the necessity of taking care of the animals employed.

Wages are higher than in ordinary employment, owing to the hardships and danger of the service. Ordinary hands \$40, confidential \$87 50 per month.

The high price of provisions and grain is caused by the heavy expense of transportation. The estimate is taken from the government prices and army rations.

It is highly requisite that the best quality mules be procured; and full allowance of forage for six months is indispensable; half allowance of grain for remaining six months.

Shoeing estimated at the lowest rates at the different points. Covers are necessary to prevent the animals freezing during the winter season when on the road.

Pack saddles are necessary to change the mode of conveyance in case of heavy snows.

The frequent casualties, in the absence of facilities for repairing, renders an abundant supply of coaches necessary.

Harness, being almost constantly exposed to the weather, soon becomes worthless; hence the necessity for an abundant supply.

The estimate for stabling is based upon the presumption that the contractor would perform the service for a term of four years.

The number of pounds of mail matter is given as a basis for a calculation for a greater or less amount; but, in unfavorable seasons, the estimated amount of stock would not be sufficient to transport a greater quantity. Provisions and bedding have to be conveyed also between the stations.

After the fixtures on the line are established, the cost of a semi-monthly mail could be made moderate, or any increase of service that may be required.

Six hundred pounds is at present about the average of letter and paper mail. Books and other printed matter, concerning which the department may have discretion, increase the mails in winter, when the service is most difficult and expensive. The entire estimate supposes purchases made at the most favorable time and on most favorable terms, and transported at the most favorable season of the year.

Missouri, to Great Salt Lake City, Utah Territory, monthly service, in six-mule coach, carrying same amount when coaches are impracticable.

Cost of corn.	Number of shoes.	Cost of shoeing.	Cost of mule covers.	Cost of ropes and pins.	Number of pack saddles.	Cost of pack saddles.	Number of saddles, bridles, &c.	Cost of saddles, bridles, &c.	Number of coaches.	Cost of coaches.	Number of harness.	Cost of harness.	Cost of repairs.	Cost of stabling.	Total cost at each station.
\$435	384	\$144	.....	.....	12	\$84	1	\$18	2	\$700	12	\$200	\$200	\$100	\$4,724
680	260	130	.....	.....	10	80	2	36	1	350	6	100	.....	150	4,598
1,700	260	195	.....	.....	10	80	2	44	1	350	6	100	.....	150	5,881
6,636	520	520	.....	.....	20	160	2	50	2	750	12	200	300	300	14,229
4,760	260	260	.....	.....	10	80	2	50	1	375	6	100	.....	150	9,273
3,304	260	260	.....	.....	10	80	2	50	1	400	6	100	.....	150	7,768
2,380	432	324	.....	.....	20	160	1	25	2	800	12	200	400	200	8,374
.....	160	75	\$200	\$225	.....	.....	2	36	.....	.....	.....	.....	.....	.....	3,731
.....	120	75	240	450	.....	.....	2	50	.....	.....	.....	.....	.....	.....	4,049
19,895	.....	1,983	440	675	.....	724	.....	359	.....	3,725	.....	1,000	900	1,200	.....
.....	2,656	.....	.....	.....	92	.....	16	.....	10	.....	60	.....	.....	.....	.....
															62,627
															1,300
															63,927

## RECAPITULATION.

Total amount of outlay..... \$63,927

*Investment entirely perishable, viz:*

Wages of eighteen men.....	\$9,660
Board of same.....	5,280
161 tons of hay.....	2,439
6,528 bushels of corn.....	19,895
2,656 shoes.....	1,981
Mule covers.....	440
Picket ropes and pins.....	675
Repairs.....	900
Stabling.....	1,200
	42,472

*Investment depreciable by thirty-three and one third per cent. after use, viz:*

92 mules.....	\$13,690
54 pairs blankets.....	657
92 pack saddles.....	724
16 saddles, bridles, &c.....	359
10 coaches.....	3,725
60 sets harness.....	1,000
16 guns, 17 revolvers, and ammunition.....	1,300
	21,455
	63,927

*Actual cost of the service.*

Perishable investment.....	\$42,472 00
Thirty-three and one third per cent. on depreciable investment of \$21,455.....	7,151 66½
	49,623 66½
Twenty-five per cent. on this amount for capital invested, risk, service of contractor and general agents.....	12,405 91
	62,029 57

Respectfully submitted to the Post Office Department.

JUNE 12, 1857.

JOHN M. HOCKADAY.

## M.

*Rates of transportation paid Majors & Russell by Quartermaster's Department on freights delivered them at Fort Leavenworth for transportation for the different months of the year, the figures indicating the price per 100 pounds per 100 miles.*

	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	April.
To Utah.....	\$1 27	\$1 27	\$1 30	\$1 80	\$2 20	\$2 90	\$2 90	\$3 35	\$3 35	\$3 35	\$2 90	\$2 10
To Fort Laramie.....	1 25	1 25	.....	.....	2 20	.....	.....	.....	.....	.....	.....	.....
To Fort Kearny.....	1 25	1 25	1 25	1 60	2 00	.....	.....	.....	.....	.....	.....	.....

Allowance of provender taken from army regulations:

Corn, 12 pounds per day.

Hay, 14 pounds per day.

The allowance of hay is not sufficient where prairie grass is used.

## N.

I, John M. Hockaday, of Great Salt Lake City, county of Great Salt Lake, Territory of Utah, propose to convey the mails on route No. 8911, from Independence, Missouri, to Great Salt Lake City, Utah Territory, agreeably to former advertisements, on terms specified by the Postmaster General, and by the following modes of conveyance, viz:

Carrying the entire mail once a month each way in four or six mule carriages when the roads will admit of coach service; packing the mail on horses or mules when the roads become impassable for carriages. Conveying the *letter and paper* mail when the mountain passes are blocked with snow, between Fort Bridger and Great Salt Lake City, on snow shoes for the annual sum of one hundred and fifteen thousand (\$115,000) dollars.

Or I will carry the entire mail each way twice a month by the modes of conveyance specified above, with the same exception when the snow shoes are indispensable, for the annual sum of one hundred and forty-nine thousand seven hundred and fifty dollars, (\$149,750.)

Or I will carry each way once a month seven hundred pounds of mail matter by the several modes of conveyance above specified for the annual sum of sixty-two thousand five hundred dollars, (\$62,500,) or any given amount over seven hundred pounds at *pro rata* rates.

Should either of the above propositions be accepted, I will start the mail from Independence, Missouri, at such time, after fifteen days, as the Postmaster General may designate, and from Great Salt Lake City at such time, after sixty days from time of such acceptance, as may be designated. Time allowed for each trip, thirty days or one month.

This proposal is made with full knowledge of the distance of the route, the weight of the mails to be carried, and all other particulars in reference to the route and service, and also after careful examination of the laws and instructions.

JOHN M. HOCKADAY.

WASHINGTON CITY, D. C., *August 1, 1857.*

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*Guarantee.*

The undersigned, residing in Jackson county, State of Missouri, undertake that, if the foregoing bid for carrying the mail on route No. 8911 be accepted by the Postmaster General, the bidder shall, prior to the 1st day of September, 1857, enter into the required obligations to perform the service proposed with good and sufficient sureties.

J. F. STONESTREET.  
F. P. HORD.

INDEPENDENCE, MISSOURI, *October 4, 1856.*

The above guarantee was given last October to be attached to a bid for same route.

J. M. HOCKADAY.

*Certificate.*

The undersigned, postmaster of Independence, State of Missouri, certifies that he is acquainted with the above guarantors and knows them to be men of property and able to make good their guarantee.

P. McCLANAHAN,  
*Postmaster.*

OCTOBER 4, 1856.

